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DECENTRALIZATION
IN
NEW YORK CITY

By
ROBERT H. ARMSTRONG
and
HOMER HOYT

A Preliminary Report To

THE URBAN LAND INSTITUTE
22 WEST MONROE STREET . . . . CHICAGO

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Urban Land Inst
21 April 41

NOTE

This volume contains the entire factual report of the authors with their conclusions and recommendations. A survey of informed opinion toward remedial proposals will be made in New York City, and upon its completion the findings will be published in a final report with a digest of the present volume.

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By
ROBERT H. ARMSTRONG
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A PRELIMINARY REPORT
TO
URBAN LAND INSTITUTE

22 WEST MONROE STREET
CHICAGO, ILLINOIS

JANUARY 1941

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by

The Urban Land Institute,

Robert H. Armstrong

and

Homer Hoyt

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PREFACE

For some years past the central business areas of many of the large cities of the United States have been suffering from a loss of business. A considerable proportion of the population of many cities has moved to outlying districts, and those new districts have come into competition with the old business districts.

In the summer of 1940, the Urban Land Institute authorized a study of decentralization as it affects central business areas in thirteen large American cities. New York was chosen as one of the cities for this study, and the authors of this survey have endeavored herein not only to present the facts, but to make suggestions of methods which they believe would tend to lessen the decentralizing influences in New York.

The district chosen for this study has been the portion of Manhattan bounded by the Battery on the south, 59th Street on the north, and the east and north rivers respectively on the east and west. The assessed value of business property within this area approximates three and a half billion dollars, and so complex and involved are the factors affecting decentralization in New York that they will seem to dwarf similar problems in many other cities.

It would have been impossible to prepare this report on urban decentralization on such a vast and complex a metropolis as New York City in so short a time if the authors had not received the benefit of intensive surveys of the boroughs of New York City, which have been made by the Bowery Savings Bank, under the direction of Fred H. Allen, and the supervision of Mr. E. B. Schwulst, vice president. Reports on trends of industry and population prepared by the Economic Research Bureau of the Consolidated Edison Company of New York, Inc., were also of great assistance to us.

Acknowledgment is also made for the assistance of Mr. F. Q. Walker, economist of R. H. Macy & Co., for his confidential report on trends in department

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store sales, and to Luther Gulick, director of the Institute of Public Administration, for the use of charts on long range planning.

Commissioner Lawrence Orton, and Mr. Frank H. McHugh, of the New York City Planning Commission made available reports on the trends of industries in Manhattan, from 1923 to 1935, and also reports on the cost to the City of Urban Decentralization.

Further acknowledgment is made to the Federal Housing Administration for use of material in the "Housing Demand of Workers in Manhattan", and to Mr. L. Durward Badgley, chief market analyst of the Federal Housing Administration, for the use of their comprehensive data on New York construction, population, etc.

Invaluable aid was also received from the Real Estate Board of New York on trends of residential vacancies, and Mr. Alan C. Gardner, of the Union Dime Savings Bank, who compiled and analyzed a great deal of data relative to retail store sales.

Mr. N. Cherniack of the New York Port Authority, made available his excellent analysis of traffic, and the Federal Reserve Board of New York furnished general data on department store sales in the New York Federal Reserve district.

The New York Stock Exchange, as well as the other principal exchanges throughout the United States, furnished excellent data on the volume of stock transactions.

Finally the authors wish to express sincere gratitude and appreciation to Mr. Herbert U. Nelson, of the National Association of Real Estate Boards, who has been responsible for this study, and who has at all times given his most friendly cooperation.

While the authors are thus greatly indebted to the individuals and institutions who have so generously placed their basic factual data and reports at their disposal, the authors alone are responsible for the conclusions and

recommendations contained in this report.

This report is not the last word, but if it does no more than quicken the intellectual curiosity of those who are interested in maintaining the government, trade, the financial security, and the social life of the City of New York, the author's labor will have been well rewarded.

R.H.A.

H.H.

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SUMMARY AND RECOMMENDATIONS

URBAN DECENTRALIZATION OF NEW YORK CITY

SUMMARY AND RECOMMENDATIONS

1. The central business district of New York, or the area in Manhattan south of 59th Street, has not lost an appreciable amount of business to the rest of the metropolitan area, but it has suffered a great decline in the aggregate volume of business carried on at its port, in the Stock Exchange, in its banks, and in its industries as a result of national and international forces over which New York City has little direct control. As a result of this greatly lessened volume of business the real estate taxes which have been raised above the peak levels of 1929 bear with undue severity upon the business that is left and constitute an almost crushing burden. One of the most effective methods for encouraging present industries to remain and for attracting new lines of manufacture would be the lowering of municipal taxes. This can be accomplished by reducing salaries which are the highest in the United States, by curtailing certain municipal functions, by discouraging the migration of persons to New York City who immediately go upon relief, by curbing the excessive trend towards residential decentralization which requires the building of new streets, pavements, schools, and parks, while there is a surplus of such facilities in the center of the City, and by the consolidation of the numerous duplicating and overlapping governmental bodies in New York City, Westchester County, and Nassau County, through annexation of these adjacent areas.
2. Attempts are being made to measure decentralization in the city of New York by a count on a number of firms which are leaving New York and moving their plants bodily to other locations. Counts are also being taken on the number of firms together with their total number of employees which are going out of business annually in New York, and the number of firms which are coming into business annually in this City.

This type of check on New York City's decentralization is very incomplete and inconclusive due to the fact that it does not measure the forces operating in the firms which remain in business constantly year after year. Furthermore it does not present the relationship of New York's economy to the national economy.

Business in New York is engaged in a great battle of survival. Possibly, and probably, no one element is causing it to decentralize, but when upon wide wage rate differentials are superimposed racketeering labor practices, high taxes, parking, trucking and traffic difficulties, a local government definitely unfriendly to business, and poorly laid out and planned areas in which business may be conducted -- then it cannot be expected that the decentralization movement evidenced at present and during the past 15 to 20 years will cease so long as any slight portion of the nation's entire productive capacity is unengaged.

3. New York City has superb facilities in the form of subways, bridges, and tunnels, for bringing the people into its central business areas, but it lacks adequate terminal facilities or parking places for automobiles, tunnels for bringing freight cars directly into Brooklyn, and facilities for relieving the congestion of trucking in the garment center. Congestion of automobile traffic in Manhattan south of 59th Street has been greatly increased in recent years by the new highways, bridges, and tunnels, and is further augmented by the large passenger busses going to and from terminals in the mid-town area. Consequently, the provision of more adequate terminal facilities for freight or passenger automobiles, busses, freight cars, and trucks, so arranged that each class of traffic would give least interference to the other is one of the most important requirements for increasing the volume of business in Manhattan.
4. Excessively high labor rates have already driven some firms in the book printing and magazine printing trades out of New York City, and higher labor rates and arbitrary union control of contractors and wholesalers is tending to drive some

concerns in the garment industry out of New York City. This adverse influence is amenable to local discipline and control.

5. The effect of high buildings on central business districts is for the time being a purely theoretical consideration, as with the existing 17 percent vacancy in the best office buildings, very few new tall structures are likely to be erected in the near future. There are seven or eight different clusters of office buildings in the area from the Battery to 59th Street so that office building areas in New York City are as much as five miles apart, being connected by subways. In the case of any future buildings that might be erected it is not so much height as percentage of the land area covered, and the volume of business transacted, that will have the most important bearing on congestion. There is now great congestion in trade centers where buildings are only six stories high, because of the large number of firms and the volume of trucking business on the streets. On the other hand, a series of tall buildings covering only a small part of a block and each located at a considerable distance from the other might not add to the congestion.
6. Over-head signs and sidewalk business are not a serious problem in New York City.
7. Taxes in New York City should be based on valuations justified by current earnings, but if this were done it would become very evident that the City would soon be bankrupt since the taxes are now absorbing practically the entire net earnings of old law tenements, old loft buildings, and over half of the net earnings after actual operating expenses of apartments and the best office buildings. Such valuations would so lower the total assessed values of New York City that the municipality would be unable to meet its obligations, or it would cause such a heavy transfer of taxes now being paid by Manhattan to the other boroughs that there might well be a taxpayers revolt. The assessing of property on the basis justified by current earnings is by all means recommended, but it would probably be resisted by the city authorities because it would

shatter the fictitious ideas of value upon which assessments in the Island are now based. The debt limit of the City of New York is 10 percent of the assessment of its real estate. The outstanding debt is now within but a few million dollars of the entire debt limit, and the legality of the debt is only being held up by gross over assessments. If the assessed value of New York City's real estate would be made to conform to values that exist at the present time as evidenced by income and/or sales prices, New York City would be legally bankrupt. In other words, its legal debt structure is being upheld by illegal assessments.

8. As already indicated, in so far as passenger traffic is concerned, New York has the best system of mass transportation of any city in the United States. Several billion dollars have already been invested in providing subways, bridges, tunnels, railroad terminals, express highways, and so forth, and the City cannot afford any further expenses along this line. However, there is a need for a freight tunnel under the harbor that will connect Brooklyn and Queens with the south and west. Congestion caused by passenger busses will be relieved by the proposed consolidated mid-town bus terminal near 42nd Street and Ninth Avenue which will be connected to the Lincoln Tunnel by subway. Providing additional parking facilities for parking automobiles on Manhattan presents an additional problem that will require careful study. Garages erected on the high priced land of Manhattan are not economical investments.

9. The rehabilitation and rebuilding of close-in blighted areas with assistance in land assembly by the local and federal governments is recommended provided the present fictitious land values can be reduced to levels based on actual and prospective earning power. Large areas in Manhattan have no other potential use except occupancy by the lower or middle income groups and such occupancy does not justify excessively high prices for land. When high values for land

are paid, as in Knickerbocker Village, this forces the erection of tall buildings with the extra cost of fireproof construction. The population of the lower East side has declined from 550,000 in 1910 to 200,000 in 1940. Many buildings have been demolished or boarded up in that area, and most of the old law tenements yield no net income above operating expenses; hence, there are a large number of non-income producing tracts of land in this lower East side which are within walking distance of the centers of employment in the financial and insurance districts where 650,000 persons work. It is recommended that the aid of local and federal governments be secured in condemning a large amount of this land where the values are lowest for occupancy by middle class families.

10. Wild-cat or premature subdivisions are not a present factor in draining population from New York City, but the building up of groups of 500 or 1000 houses on hitherto vacant tracts in Queens and Nassau Counties as a result of Federal Housing Administration Mortgage Insurance up to 90% of the value of the property has been a powerful factor in draining families out of the central city. As a result, there is a demand upon the city and county for new schools, pavements, sewers, and parks in these outlying areas, while the same facilities in the central areas are only partially used. This spreading out even within the confines of New York City has already added $43,000,000 a year to the operating budget of the municipality, and if it continues municipal bankruptcy will be the final result.

11. Many master plans have been made for redeveloping the entire City of New York but obviously they can be carried out only by degrees. While it is possible to rebuild a few areas like Red Hook and Queens Bridge at public expense as a demonstration of how a small sample of the lower income third can be housed, the provision of such housing facilities for all the families in the lower income brackets would require an outlay of fifty to one-hundred times as much

money as has been already spent. Manifestly, with the resources of the City already strained almost to the breaking point, and the federal government embarking on a defense program which has an initial cost of over $12,000,000,000 and has no upper limit, it is impossible to rebuild New York at once according to the planners dream. It is of vital importance now to conserve sound property values in existing structures which are threatened by infiltration of diverse racial groups, and which have otherwise lost caste because of the general neglect of the neighborhood. A master plan should be evolved, however, which will provide for the systematic wrecking of structures which fall below the minimum standards of decency and the rebuilding of certain areas step by step according to a final plan. The principle of the superblock should be adopted and old street layouts should be changed for the purpose of providing more light and air and recreation grounds. In this gradual rebuilding, neighborhoods should be developed as livable units and each neighborhood should have its school, its local shopping facilities, parks, and theatre.

12. There are excellent provisions in New York City that permit through traffic to pass around or under the central business area through bridges and tunnels.
13. Cruising taxicabs have added to congestion in the central business district of New York, and their operation should be limited.
14. As already indicated, the suburban areas in Westchester County and Nassau County should be annexed so that their overlapping and duplicated government functions could be eliminated and that they could make their contribution to the cost of the entire metropolitan area.
15. The central business district of New York City has already acquired a set form and is too widely scattered to be amenable to architectural control by one authority.
16. The public buildings of New York City have already been arranged in a civic center around which additional new civic and state buildings are being grouped.

No further recommendations affecting public buildings are necessary.

17. Areas in the belted line along the waterfront in Brooklyn might find a better use as sites for a belt line railroad, and for industries rather than for low cost housing, such as Red Hook. A freight tunnel under the harbor leading to this area might open up a new industrial area that would provide auxiliary facilities to industries in Manhattan.

18. A study should be made of parking on downtown streets to determine in which specific areas it should be eliminated altogether. In some broad thoroughfares, such as West Street, south of the West-side Highway, there is room for a considerable amount of parking in the center of the street, and there are probably many cross streets on which volume of traffic is comparatively light on which parking might be permitted. The regulation of parking should only be undertaken after a careful study by traffic experts. Fortunately, such a survey of traffic and parking facilities is now being made by the Regional Plan Association with the endorsement of Mayor LaGuardia, the Merchants Association and many other organizations.

I

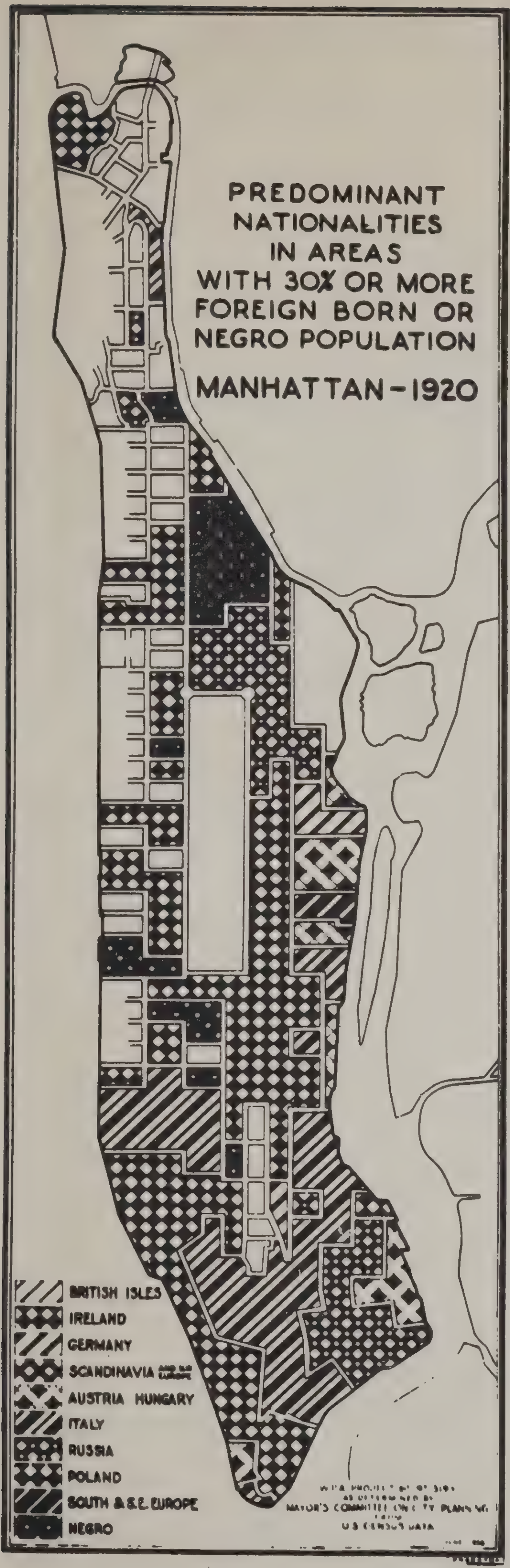
THE SIGNIFICANCE OF URBAN DECENTRALIZATION IN NEW YORK CITY

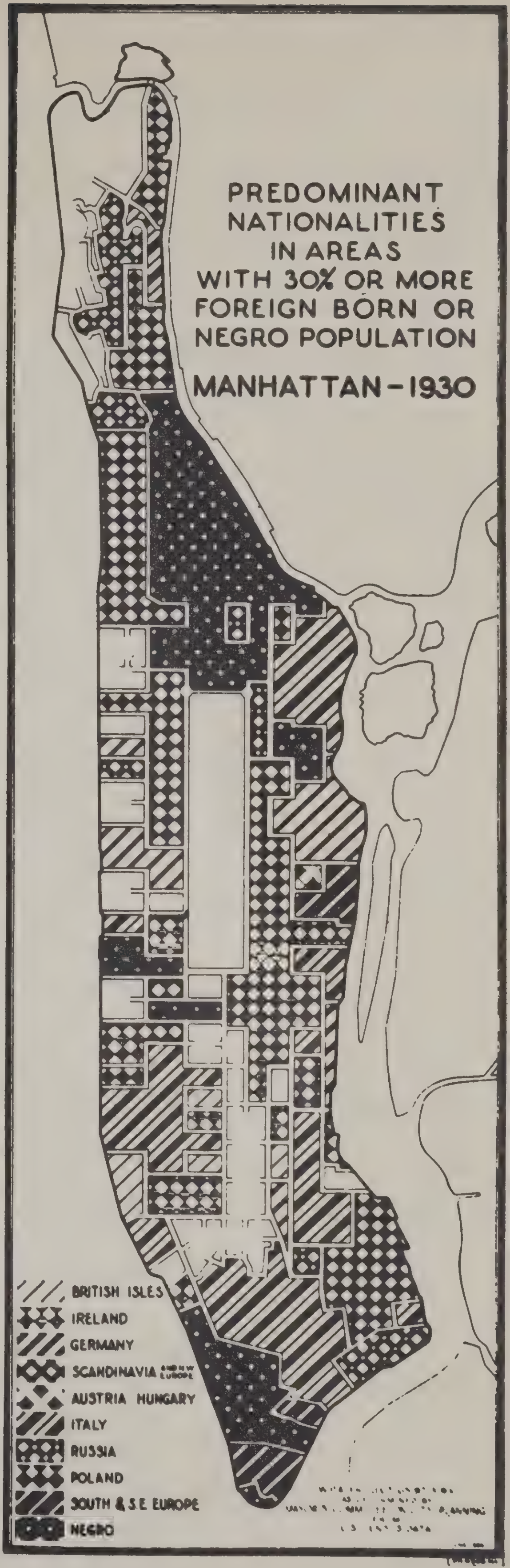
THE DEFINITION OF URBAN DECENTRALIZATION IN NEW YORK CITY AND ITS EFFECT ON THE TAX PAYING ABILITY OF MANHATTAN

A study of urban decentralization in New York City, the largest and most complex metropolis ever built by the human race, requires us to analyze each of its important supporting foundations. Decentralization affects differently the various economic institutions of New York such as its polyglot industries, its ports, its wholesale and retail stores, its banks, insurance companies, and stock exchanges, its theatres, hotels and office buildings. These institutions interact upon each other, and they combine to support New York City but each one feels the impact of decentralization in a different degree.

Decentralization may be considered from three aspects, first, the loss of business by Manhattan to other boroughs of New York City or other sections of the Metropolitan region. Second, it may be considered from the point of view of a loss of business by the New York Metropolitan region to other parts of the United States. Third, it may be analyzed from the standpoint of the loss of business by the whole United States, which inevitably affects New York City in its capacity as the dominant financial center and port of the North American Continent. In this study all these phases will be considered, not only separately but in conjunction, for each factor is responsible for a decline in the volume of business transacted in Manhattan, which reduces its income and its tax paying ability.

The central business district of New York on Manhattan island is the area adversely affected by decentralization. It is the suction of the periphery that is vacating its apartments, the industrial competition of rival cities that is emptying its factories and the impact of national and international forces upon the American people that is reducing the volume of sales on its stock exchange and causing a decline in the trade of its port.


PREDOMINANT NATIONALITIES IN AREAS WITH 30% OR MORE FOREIGN BORN OR NEGRO POPULATION
MANHATTAN - 1920
BRITISH ISLES
IRELAND
GERMANY
SCANDINAVIA AND N.W. EUROPE
AUSTRIA HUNGARY
ITALY
RUSSIA
POLAND
SOUTH & S.E. EUROPE
NEGRO
AS DETERMINED BY
MAYOR'S COMMITTEE ON CITY PLANNING
FROM
U S CENSUS DATA

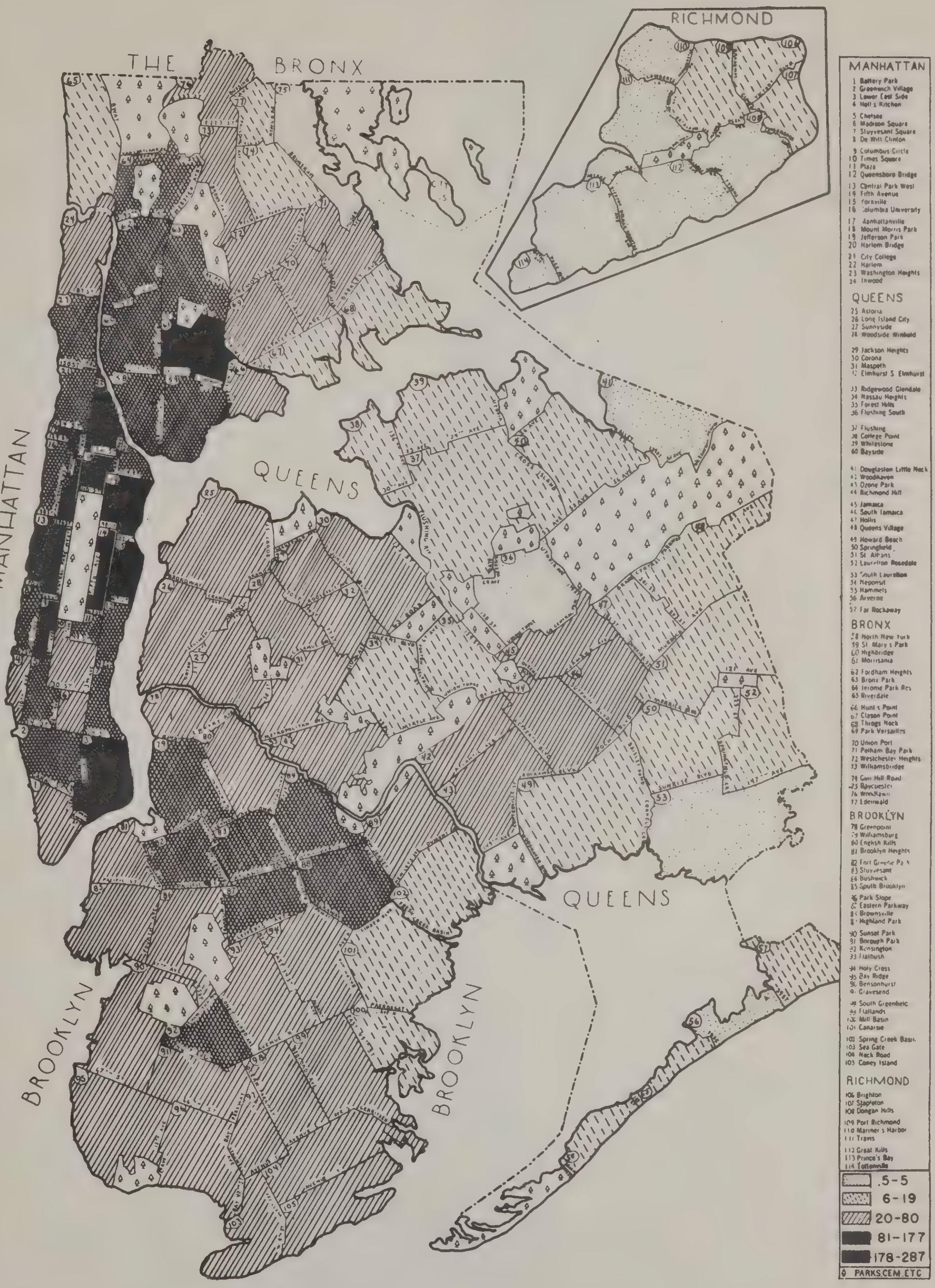

PREDOMINANT NATIONALITIES IN AREAS WITH 30% OR MORE FOREIGN BORN OR NEGRO POPULATION
MANHATTAN - 1930
BRITISH ISLES
IRELAND
GERMANY
SCANDINAVIA AND N.W. EUROPE
AUSTRIA HUNGARY
ITALY
RUSSIA
POLAND
SOUTH & S.E. EUROPE
NEGRO

Manhattan island is probably the most complex and polyglot urban area in the world. Considered from the standpoint of its buildings, Manhattan is the most intensively developed apartment area in the United States, with 95 percent of its resident population living in such structures. Its single family dwellings are assessed in 1940 for only 16 percent of the total assessment of single family homes in the city, but walk-up and elevator apartments are respectively assessed at 40 percent and 70 percent of the total for each class in the five boroughs. Of the total assessed value of warehouses and theatres in New York City, Manhattan contains respectively 61 and 62 percent. Manhattan's factories are assessed at 47 percent of the total for factories in the city and its office buildings and hotels are respectively assessed at 94 percent and 95 percent of the total assessed value of all such structures in the city. Thus Manhattan contains a preponderating proportion of New York's tall apartment buildings, warehouses, lofts, hotels and office buildings and only a small proportion of the single family homes and vacant lots.

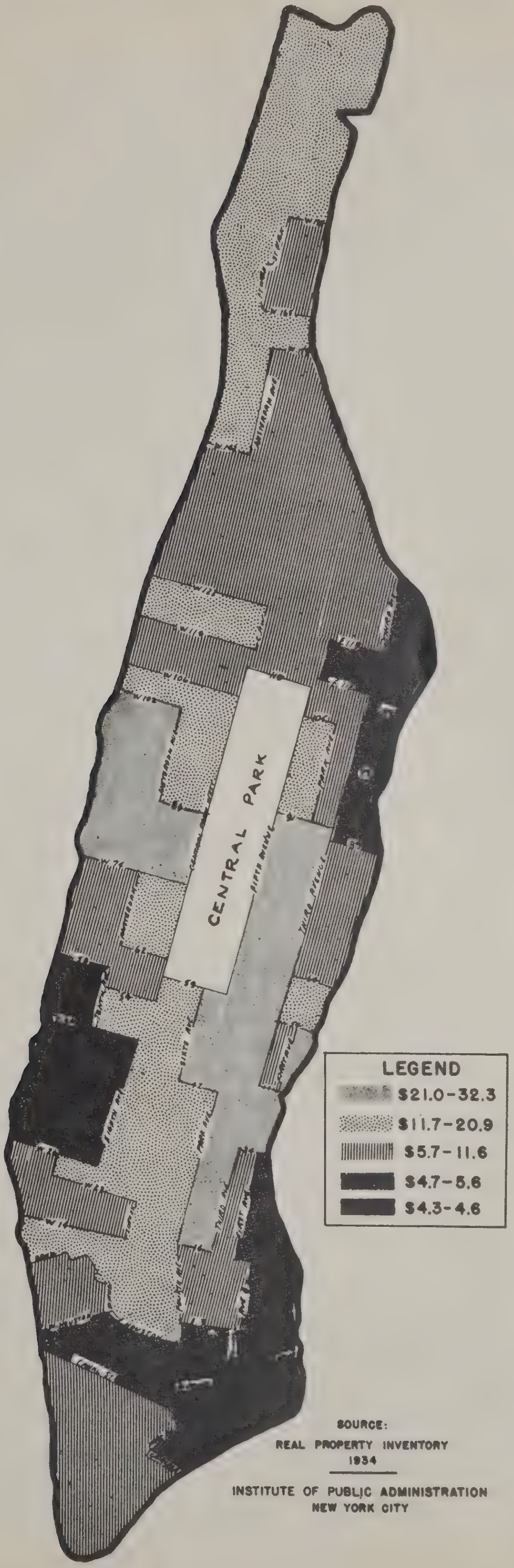
In regard to its people, Manhattan contains the most polyglot mixture of races ever assembled in one urban community. Two-thirds of its total population in 1930 were either immigrants or children of immigrants. Only one-fifth of its residents were native whites of native parentage. Manhattan has more Jews than Jerusalem at its height, and there are German, Polish and Italian groups of sufficient size to form great cities in themselves. Harlem is the largest Negro city in the world.

These residents of Manhattan run the entire gamut of the economic and social scale. On the one hand are mansions of millionaires occupying an entire city block and here live half the families in the entire United States who paid $200 a month rent and over for apartments in 1930. On the other hand, here also is bleak poverty, with 200,000 apartments in old law tenements, some rooms in which have no outside windows. Here rents as low as $3 or $4 a month a room

DENSITY OF POPULATION PER ACRE
1930 CENSUS



MONTHLY RENTALS PER ROOM



SOURCE:
REAL PROPERTY INVENTORY
1934

INSTITUTE OF PUBLIC ADMINISTRATION
NEW YORK CITY

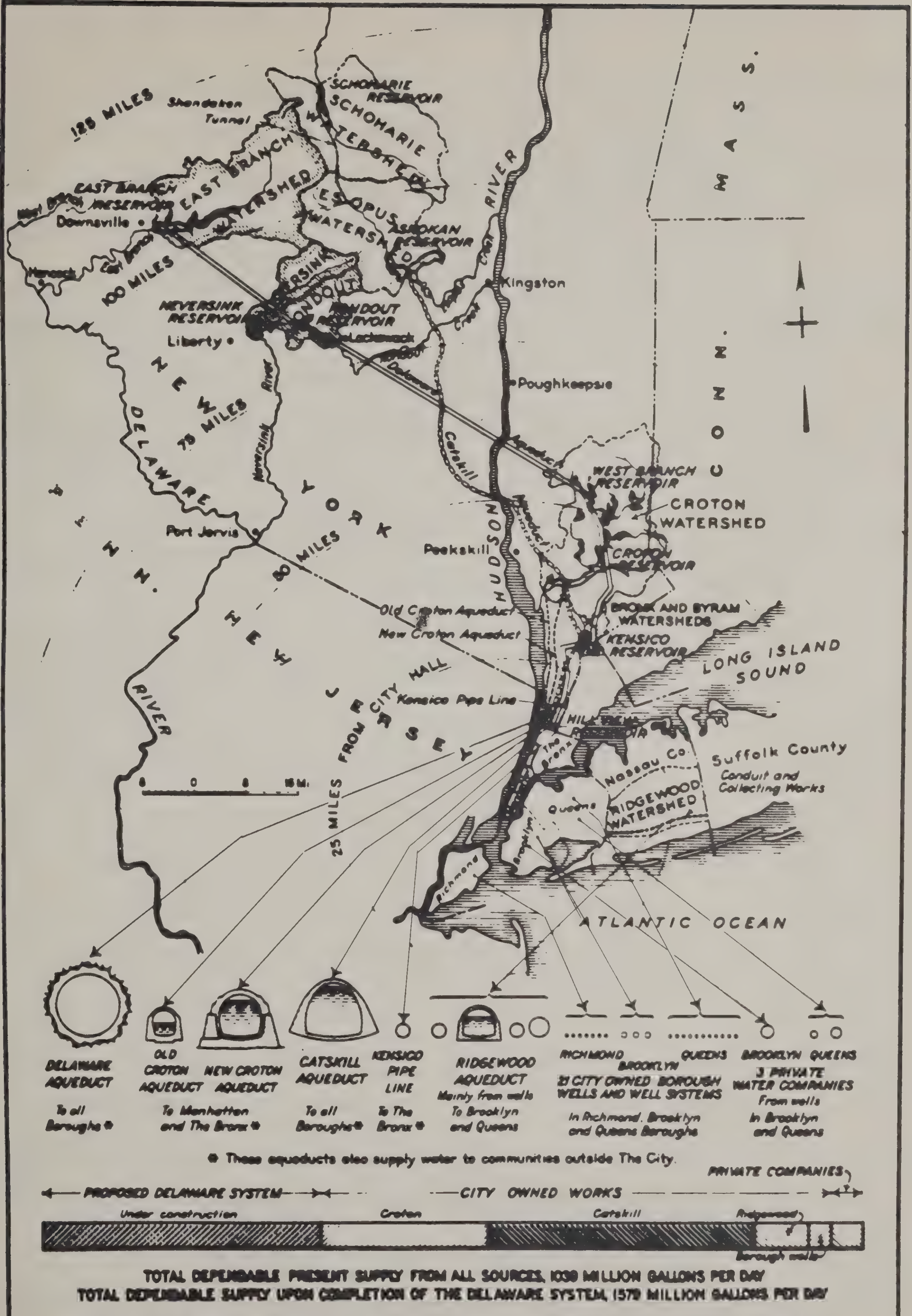
are paid and still buildings containing 34,000 apartments are boarded up for lack of tenants at any economic rent. Twelve percent of all its residential structures were vacant in 1930 although in some sections of Harlem two and even three shifts occupy the same quarters. It is estimated that 250,000 persons live in 25,000 rooming houses with one or two persons to the room.

Seventy percent of all the 2,458,411 persons working in New York City in 1938 were employed in Manhattan, but only one-quarter of the workers of the city live on the island, the others using Brooklyn, Queens, the Bronx or suburban New York or New Jersey as dormitories.

In New York City as a whole 515,455 persons were totally unemployed in 1937, 198,533 were partially employed and 137,998 were emergency workers. On Manhattan island in September 1939, 161,280 persons were on relief, of whom 81,469 or 50 percent resided in Harlem.

In this center of this huge metropolis are department stores like Macy's with 10,000 employees and utility companies with 15,000 to 20,000 workers. Five thousand persons work in some single buildings. Manhattan is the directing headquarters of the greatest corporations in America - the American Telephone and Telegraph Company, General Motors, Standard Oil, Anaconda Copper, the New York Central Railroad, etc. It contains the home offices of the largest life insurance companies in the United States, - the Metropolitan, New York Life, Equitable and Mutual. It is the seat of the New York Stock Exchange and the New York Curb Exchange where 94 percent of the value of all stock sales in the nation are made. It is the headquarters of the greatest banks in the world, the National City Bank, the Chase National Bank, Guaranty Trust Co., and many others.

This island likewise contains the legitimate theatre center of the United States and it is the leading capital of music, painting and literature. In the Universities of New York there are 130,000 students.



TOTAL DEPENDABLE PRESENT SUPPLY FROM ALL SOURCES, 1030 MILLION GALLONS PER DAY
TOTAL DEPENDABLE SUPPLY UPON COMPLETION OF THE DELAWARE SYSTEM, 1579 MILLION GALLONS PER DAY

THE WATER SUPPLY OF THE CITY OF NEW YORK

All of these variegated functions of the metropolis are in close juxtaposition to each other. The financial center and the port, in the garment center and Times Square amusement area, the de luxe apartments of Park Avenue and the slums of Third Avenue are not far apart.

The plant investments in the public utilities of such a vast metropolis aggregate billions of dollars. The great system of water works which brings pure water as far away as the Catskills cost $820,000,000. The telephone wires, conduits and plant represent an investment of $540,000,000. Its electric light and power and gas mains have cost the Consolidated Edison Company $1,233,000,000.

The 600 miles of subways, the elevated and surface lines represent a capital outlay of over $1,300,000,000. The Holland tunnel, George Washington bridge, the Triborough Bridge the Pulaski Skyway and all the other tunnels, bridges, express highways and approaches to the bridges and tunnels cost well over $600,000,000. In addition to over four billion dollars for these items, the city has invested several billion dollars in sewers, street pavements, schools , parks and playgrounds. This is a huge investment in the port and in the railroad terminals. The land and buildings of the city proper are assessed at 16 billion dollars. The aggregate investment in the utilities and land and buildings in New York City alone is approximately 25 billion dollars.

With all this huge investment sunk irrevocably in New York City the spreading out of the population into suburban regions requires new municipal investments of $400 per capita for new schools, pavements and sewers. This investment of 25 billion dollars has provided residences, pavements, water, sewers, etc. but many residents are abandoning it all in favor of the suburbs.

To operate the existing municipal plant alone, to provide teachers in public schools, high schools and colleges, to pay salaries of policemen, firemen, judges and to provide for a host of other services, the city of New York now requires an annual budget of $600,000,000 a year. It has taken a wide variety of

powerful factors operating at peak capacity - a national financial center, the greatest port, the largest center making consumer's goods, a huge flow of immigration to yield sufficient income to pay this $600,000,000 tax bill.

The heavy fixed charges imposed by taxes to meet this budget could easily be met when the stock market had a billion share volume, when a million immigrants, mostly adult, were entering the port of New York in a year, when office buildings were almost fully rented at from $5 to $10 a square foot, when New York's Wholesale trade was 16 billion dollars a year and when its foreign trade exceeded 6 billion dollars in a year.

However, when the impact of local, national and international forces reduces stock exchange volume to an annual volume of 200,000,000 shares, an 80 percent decline, when immigration virtually ceases, when the best office buildings have a 17 percent vacancy with the Empire State and many older ones half full and office rents at from $1.50 to $2.50 a square foot, when wholesale trade has declined to 7 billion dollars and foreign trade to 3 billion dollars, then this peak budget of $600,000,000 is becoming a crushing burden.

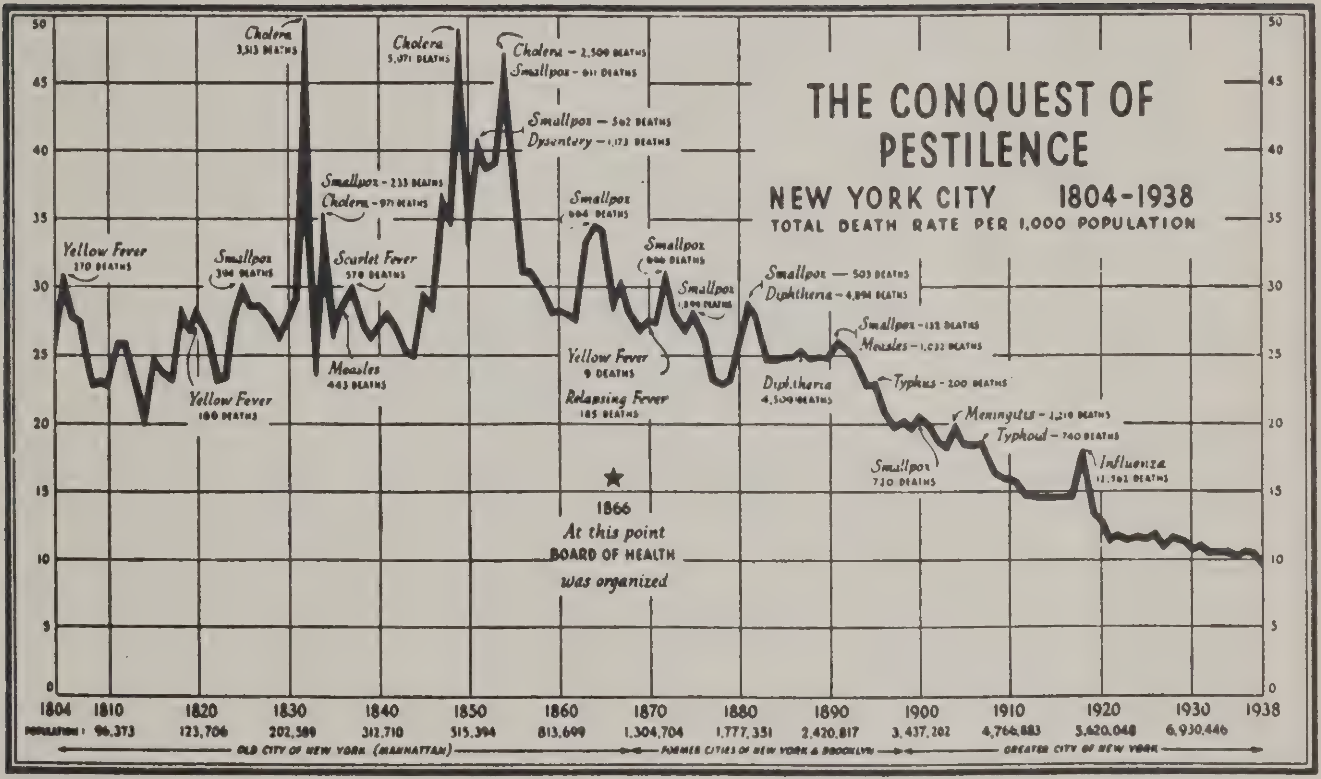
With 100,000 fewer industrial workers in Manhattan and 150,000 more persons on relief than 20 years ago, with 12 percent of the dwelling units on the island vacant and 42,000 apartments in old law tenements demolished in Manhattan in the last 8 years because they did not yield enough to pay taxes, there are fewer productive persons to meet the increasing tax burden and a lower aggregate income out of which to pay it. With wage rates fixed at high levels, operating expenses have increased while net income on real estate has declined as a result of lower rents and increased vacancies. In some types of property, such as lofts and old law tenements, taxes are already absorbing most of the net income after operating expenses. Even in the case of the best office buildings taxes are taking half or more of this net income after operating costs.

Unless the salaries of the highest paid body of municipal employees in the history of the world are reduced, or the municipal functions curtailed these heavy taxes will tend to drive more people and industries from the city, and thereby lower the net income of real estate still more. Taxes may then absorb not only the remaining equity of the owners of real estate in Manhattan but the entire interest of the mortgage holders, who are to a large extent Savings Banks and Life Insurance Companies.

Unless subsidized by the Federal Government, the city cannot continue to extend its functions, increase its salary scale, build more bridges and tunnels, construct new schools, pavements and sewers in undeveloped areas of the city while abandoning old areas already provided with such facilities. Decentralization in the three senses already indicated, local, national and international, will force either contraction of municipal expenses, federal aid or municipal bankruptcy.

Persons on Home Relief in Manhattan
September 1939

	Number	Percentage
Harlem, including Porto-Rican section and Italian District	81,469	50.51
Washington Heights and Dyckman	9,323	5.78
Upper West Side, Morningside	10,725	6.64
Central Park West	7,188	4.45
Yorkville	7,928	4.91
Chelsea and Hell's Kitchen	9,459	5.86
East Midtown	7,004	4.34
Lower Manhattan, West, Central	13,721	8.50
Lower East Side	14.463	8.96
	161,280	100.0



THE CONQUEST OF PESTILENCE

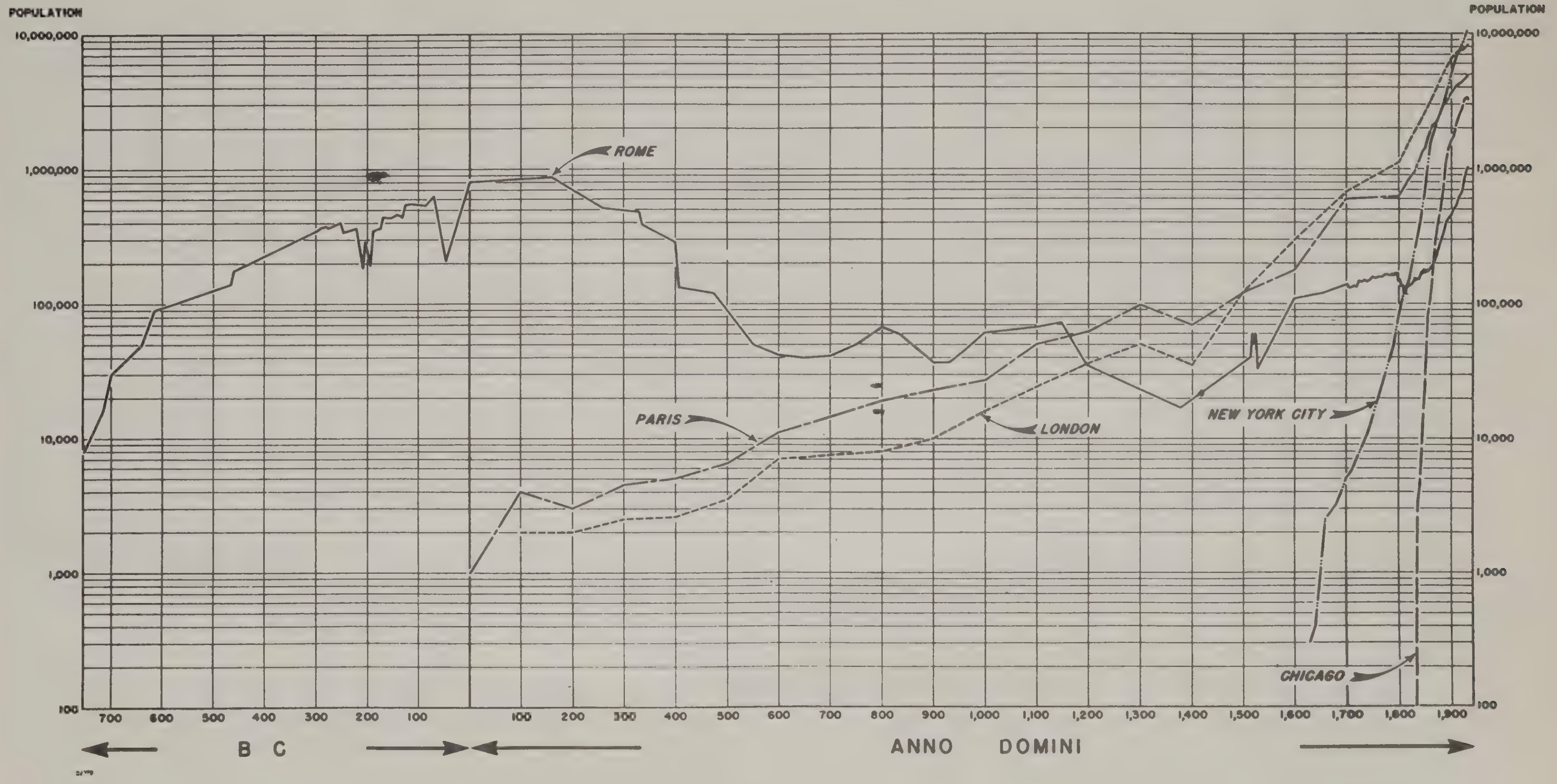
NEW YORK CITY 1804-1938

TOTAL DEATH RATE PER 1,000 POPULATION

II

THE GROWTH AND SHIFTS OF POPULATION IN THE NEW YORK REGION

FLUCTUATIONS IN POPULATION OF ROME
COMPARED WITH POPULATION GROWTH OF LONDON, PARIS, NEW YORK, AND CHICAGO
753 B C – 1939 A D



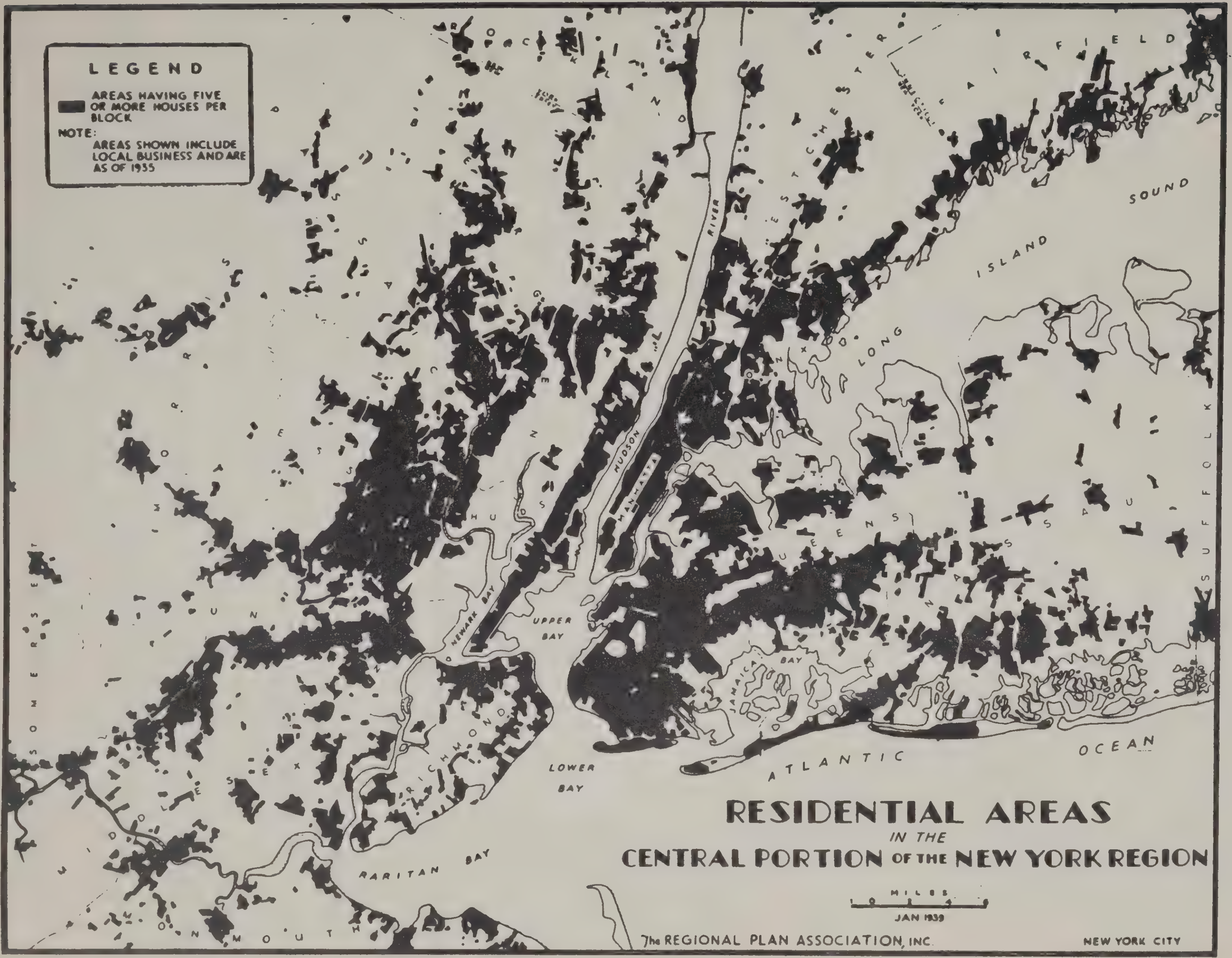
THE POPULATION GROWTH OF NEW YORK CITY

Measured against the background of 60 centuries of recorded urban growth, the population of New York has shot up like a skyrocket. Rome had a population of 1,000,000 at the beginning of the Christian era. London and Paris have had a continuous existence for two thousand years and were old cities with a hundred thousand inhabitants before America was discovered by Columbus. Yet Metropolitan New York starting from scratch on the lower tip of Manhattan in 1624, has outstripped every other urban community to become the greatest urban agglomeration the world has ever known. With twelve million people in the central city and its adjoining cities and towns, New York ranks ahead of London, which even before the air raids could only count eight million persons in the five counties surrounding the original city of London.

The upward surge in the population of New York City in the last century and a half was not an isolated case. It was part of an upthrust in the world population in which the number of human beings on this planet increased from 800,000,000 to 2,200,000,000 and in which 38 cities for the first time passed the million mark in population.

Steam power to manufacture and transport goods, the unlocking of fabulous reserves of energies in the form of coal and oil, the discovery of vast deposits of iron, copper, tin and other metals, and the opening for settlement of rich agricultural valleys in the Americas all combined to give a tremendous impetus to world trade. Under the peaceful aegis of the British Empire and its protecting Navy, manufacturing and trading cities grew rapidly not only in the United States but in England and Germany. Commercial cities likewise expanded tremendously along the main channels of world commerce in South America, India, China and Australia.

Functioning as an integral part in this expanding world-wide commercial mechanism and standing at the gateway through which passed the largest



LEGEND

■ AREAS HAVING FIVE OR MORE HOUSES PER BLOCK

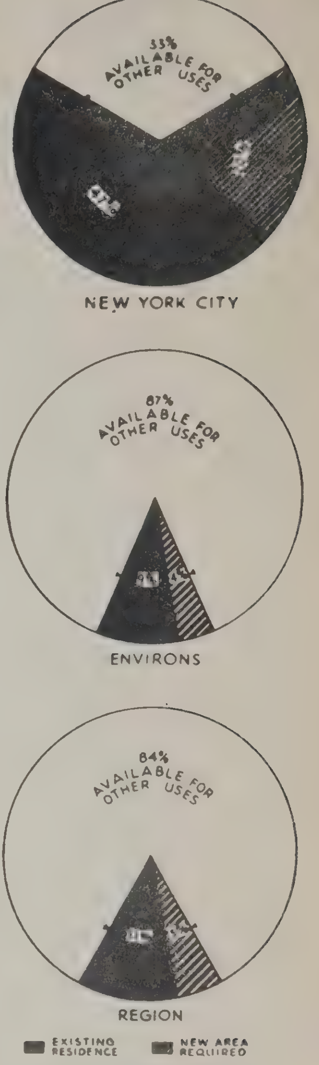
NOTE:
AREAS SHOWN INCLUDE LOCAL BUSINESS AND ARE AS OF 1935

RESIDENTIAL AREAS
IN THE
CENTRAL PORTION OF THE NEW YORK REGION

JAN 1939

The REGIONAL PLAN ASSOCIATION, INC.

NEW YORK CITY



TOTAL LAND AREA & RESIDENTIAL AREAS
COMPARED WITH
LAND REQUIRED FOR ESTIMATED 1960 POPULATION
FOR
NEW YORK AND ITS ENVIRONS

stream of international trade, the population of New York City increased 150 times in a century and a half, or from 49,401 in 1790 to 7,380,000 in 1940. New York's western team-mate Chicago, situated on the western end of the sea level route via the Hudson River, the Mohawk pass and the great lakes, was the chief collecting and distributing agent of the Eastern Metropolis. The growth of Chicago from 50 to 3,376,438 in one hundred years was one of the wonders of the 19th and early twentieth centuries. New York's eastern team-mate, London, the world's financial and shipping center, likewise grew rapidly or from a population of 865,000 in 1800 to 8,200,000 in 1930. Nor was this urban growth confined to the English speaking nations, the population of Berlin increased from 170,000 in 1800 to 4,250,000 in 1930; Buenos Aires grew from 150,000 in 1850 to 2,215,000 in 1930. Moscow expanded from 190,000 in 1800 to over 4,000,000 today. Shanghai increased from 455,000 to 3,550,000 in the 30 years from 1900 to 1930.

There were startling rates of growth in the first three decades of the twentieth century also in some American and Australian cities. The population of Metropolitan Detroit increased from 285,000 in 1900 to 2,105,000 in 1930 and that of Metropolitan Los Angeles from 100,000 to 2,320,000 in the same thirty years. In the same period Sydney Australia increased in numbers from 490,000 to 1,235,000, and Rio de Janiero from 690,000 to 1,500,000.

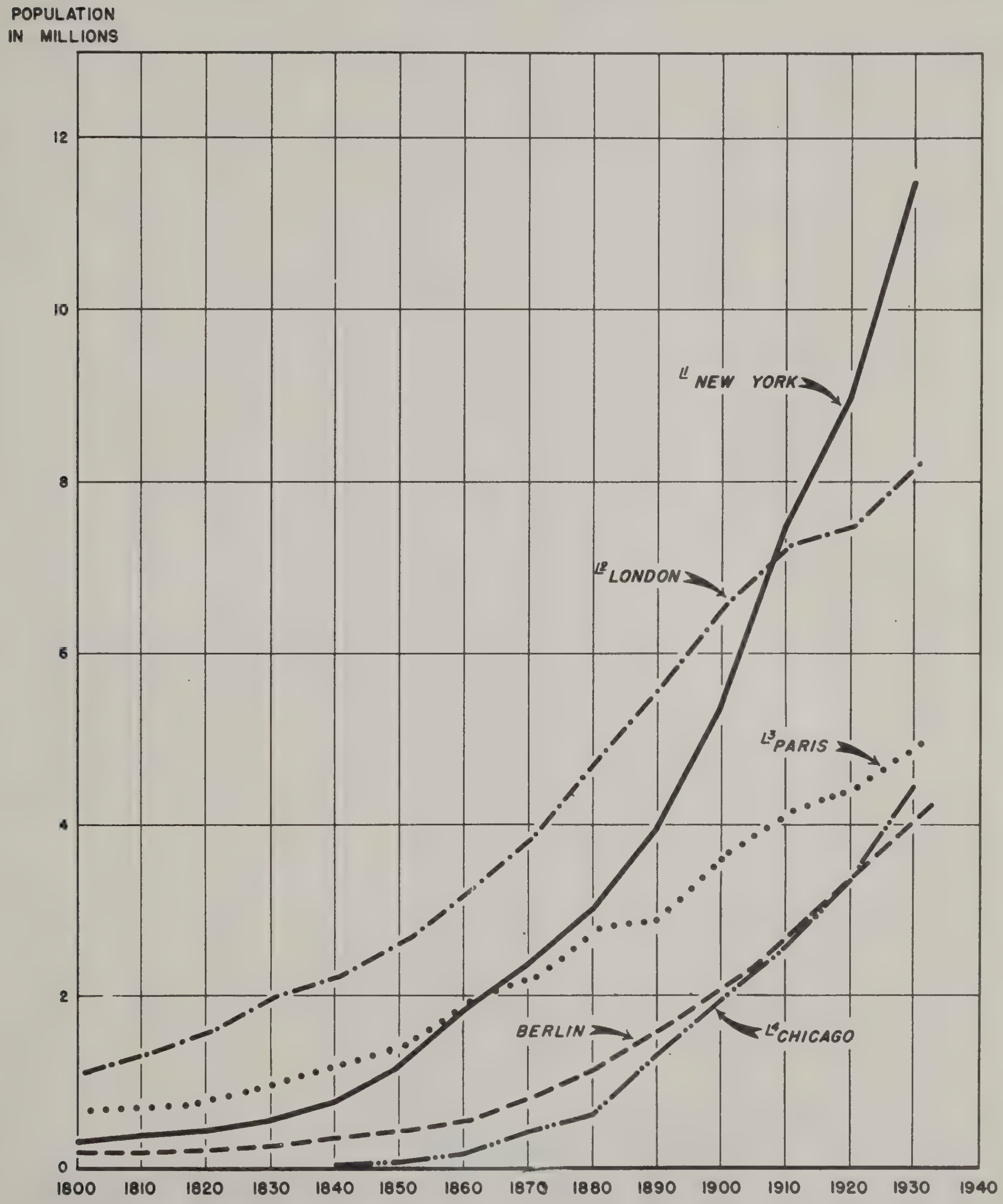
It is self evident that such perpendicular rates of population growth could not be maintained for long periods of time unless it is possible for the entire human race to be concentrated in the great cities. Under a system of perfect international harmony and lasting world peace a greater degree of urbanization is theoretically possible.

Five-sixths of the world's population still resides in several million agricultural villages and only 5 percent of the population of Asia lives in large cities.

Before the theoretical maximum of urban growth could be reached,

COMPARISON OF POPULATION GROWTH OF THE METROPOLITAN AREAS OF NEW YORK, LONDON, BERLIN, CHICAGO AND PARIS

1800-1931



[1] IN ADDITION TO NEW YORK CITY PROPER, THE POPULATION OF SEVENTEEN ADJACENT COUNTIES IS INCLUDED.

[2] IN ADDITION TO THE COUNTY OF LONDON, THE POPULATION OF ADJACENT URBAN PLACES IN FIVE OTHER COUNTIES IS INCLUDED.

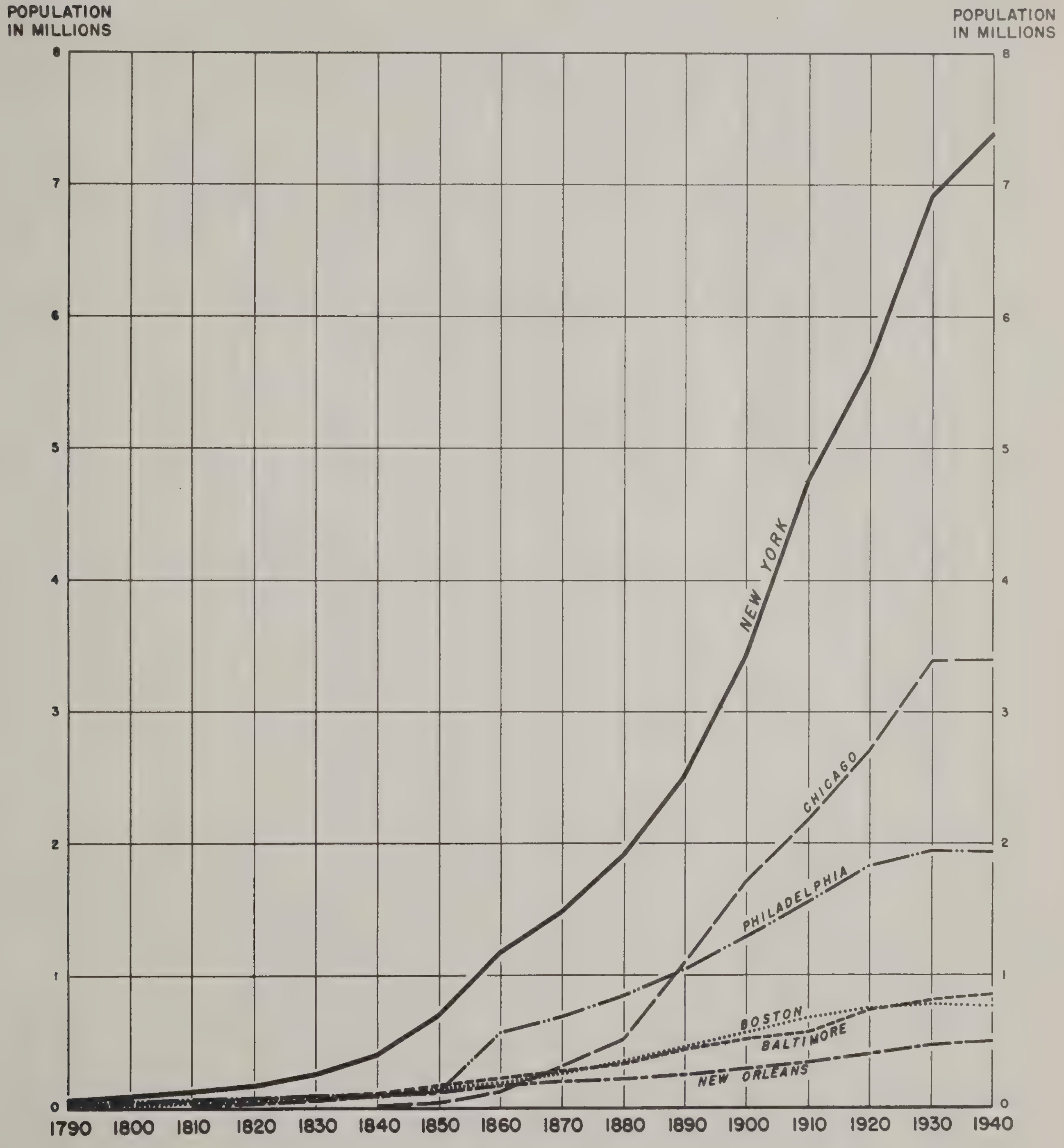
[3] POPULATION OF THE DEPARTMENT OF THE SEINE.

[4] POPULATION OF CHICAGO METROPOLITAN AREA INCLUDING COOK COUNTY, LAKE AND DU PAGE COUNTIES, ILLINOIS AND LAKE COUNTY, INDIANA.

POPULATION GROWTH

NEW YORK, CHICAGO, PHILADELPHIA, BALTIMORE, BOSTON AND NEW ORLEANS

1790 - 1940



however, limiting factors have asserted themselves. The census of 1940 has revealed a marked slackening in the rate of population growth of American cities. Eight of our largest cities for the first time showed a population decline in a ten year census period.

The population growth of New York City, was only one-third of the previous decade, while its western supporting team-mate - Chicago stood still and its great eastern entrepot - London - is struggling for survival under a rain of bombs. With the principal nations of the world either engaged in war or threatened by the spread of the war, the normal international trade that fosters the growth of cities has been disrupted. Conditions are favorable for increased city growth only in protected American munitions centers. From Shanghai, its Chinese quarters bombed and its international settlement being evacuated to shell-shocked Warsaw and Rotterdam, and occupied Oslo, Copenhagen Brussels, Antwerp and Paris, the great world cities are being shorn of the normal trade with their hinterlands and are existing only by sufferance of military powers. The rapid growth in militant industrialism in Germany, Russia, Italy and Japan before the outbreak of World War II has produced a cutthroat competition between these powers and England and the United States for the markets of the world. The gains of peaceful trade are lost in the stifling cost of huge armaments. The endeavor of the totalitarian powers to annihilate the democracies has made imperative an all-out war on their part in self defense. The long run result, either the ruin of one group of contestants or the exhaustion of all - can hardly contribute to the continued world-wide growth of the great cities. The great expansive force of peaceful trade which made it possible for the New York Metropolitan region to support 12,000,000 people in an area where only a few thousand Indians could earn a living three hundred years ago, has now passed its peak. New York City can still rely upon the tremendous internal strength of the United States and turn its back upon Europe. All of its basic

supports will not collapse because of wars abroad and the great momentum of its past growth will help sustain its position, but it will be more and more difficult for New York City to support increasing numbers of families. The analysis of the economic background factors of the metropolis indicates the difficulty it is having in just holding its own. The large number of unemployed, the vacant apartments and offices, the idle factories and lofts show that New York cannot find enough work to give jobs to all its present citizens and to employ all of its present working facilities.

The extraordinary growth of the population of New York City in the past century has, of course, not been merely the result of the increase of the births over deaths of the residents. Most of the increase in the number of people in the city has been due to immigration and internal migration. A mass flow of men and women in the prime of life poured in from Europe and the rural districts of America to obtain jobs in New York City. Of the 39 million immigrants who came to the United States from 1820 to 1940, 25 millions entered through the port of New York and more remained at this point of entry than went to any other city or state. That the economic motive was the paramount consideration that brought the immigrant to our shores is indicated by the fluctuations in the curve of immigration which rose to high peaks in periods of prosperity in this country when jobs were waiting for the newcomer and which sank to a low ebb in the depression when there was unemployment. Recent evidence shows that internal migration has followed the same pattern. A large number leave the rural districts for the cities in periods of economic prosperity and high levels of industrial employment and the reverse movement sets in or a flow back from the cities to the farms during periods of depression.

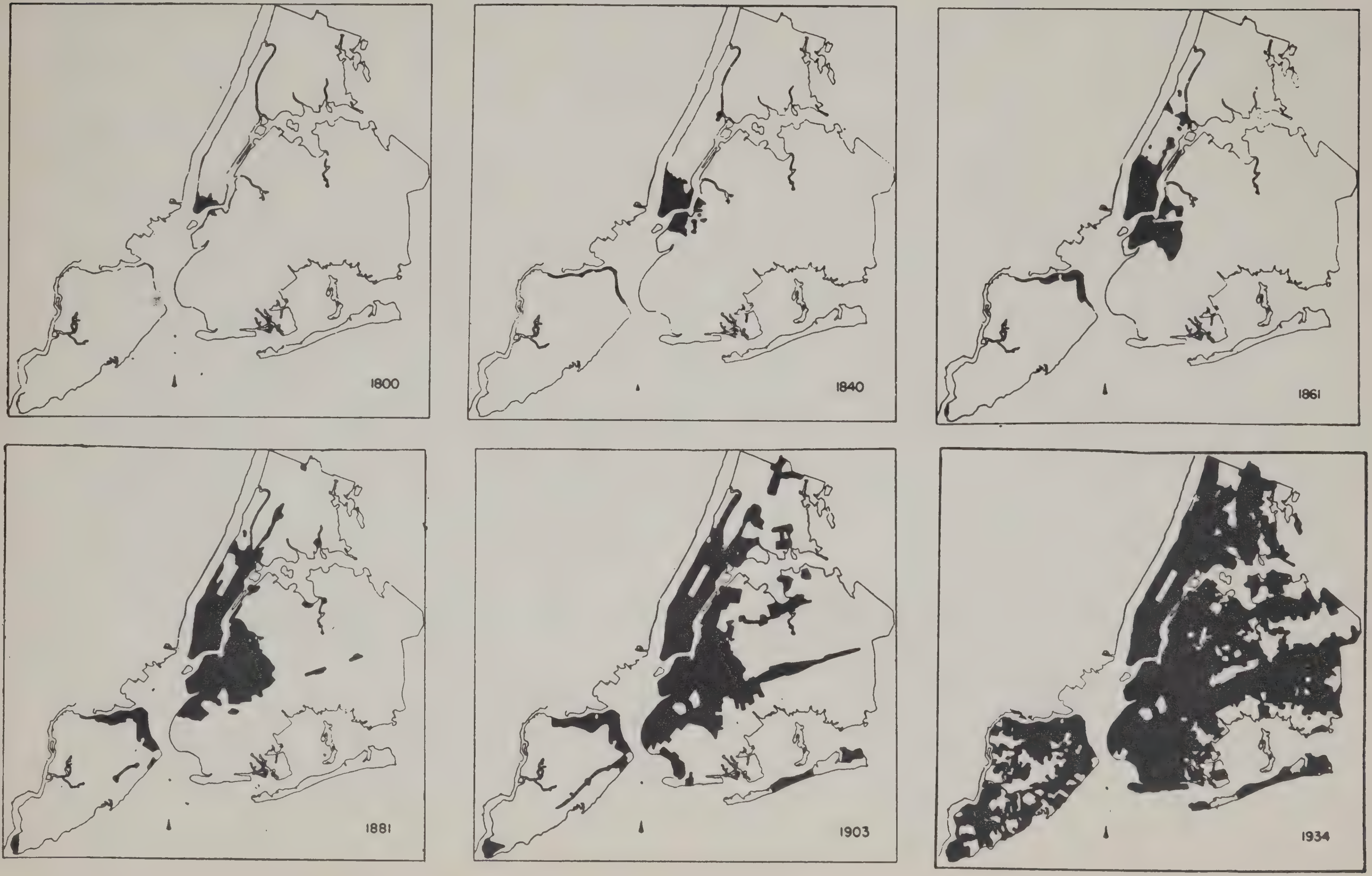
The future growth of the population of New York City does not depend upon the theoretical projection of any past trend of growth but upon the ability of the trade and industries of the city to provide more jobs or upon the ability

of the city to support more persons on relief. While the immigration law of 1924 drastically reduced the number of immigrants who may be admitted to this country, the natural increase of population in the Southern rural regions supplies a reservoir of labor power which will quickly flow to New York if jobs or easy relief funds are available.

Hence in the last analysis the future rate of growth of the population of New York City depends upon a careful survey of the economic background factors which will hereafter be discussed.

GROWTH OF SETTLED AREAS OF NEW YORK 1800–1934

Date on Each Map Shows Extent of Growth at Time Indicated



THE TREND OF POPULATION AWAY FROM MANHATTAN

The rate of population growth of New York City as a whole is thus slackening. In the case of Manhattan island alone, however, there was an absolute decline in the residential population between 1910 and 1930. This absolute decline for the entire island was halted between 1930 and 1940, when as a result of the growth of the Dyckman Street area, the conversion of apartment buildings West of Central Park and Eighth Avenue from 59th to 155th Streets into rooming houses, there was a net gain of 4,162 persons and about 24,000 families for all Manhattan.

The lower East side, however, lost 50,000 population in the decade. There were also losses of 50,000 people in the West side from the Battery to 59th Street and of 30,000 in the upper East Side.

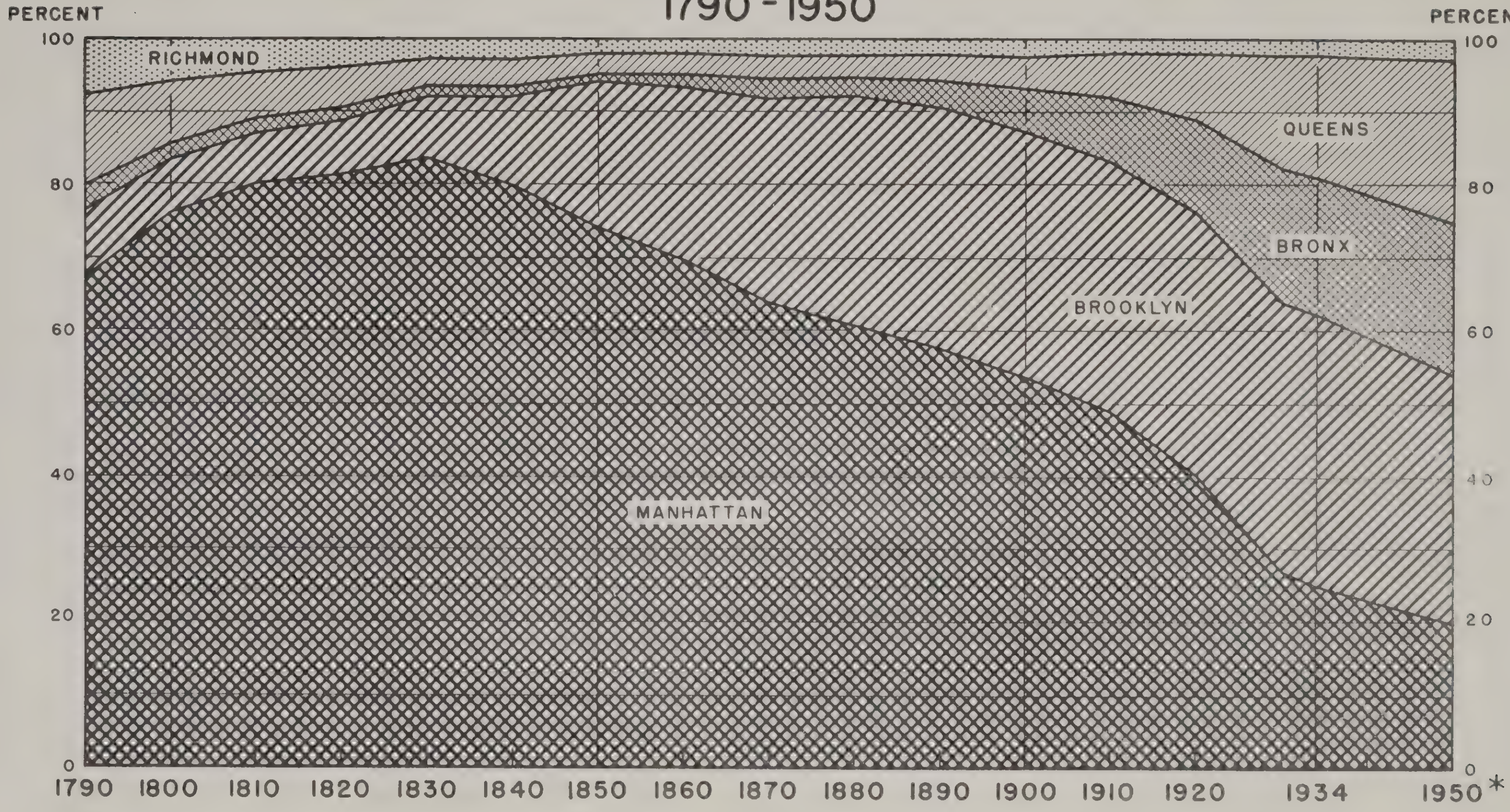
Even this slight gain in population of Manhattan island as a whole was not the result of a steady and gradual growth. There was a decline of about 90,000 in Manhattan's population between 1930 and 1932. After slight gains from 1933 to 1935, the population of the Island increased about 75,000 between 1936 and 1940, which overcame the earlier loss and left a slight net gain for the entire decade.

Over the span of a century, the proportion of the New York City population dwelling in Manhattan has been steadily declining. One hundred years ago over 80 percent of the population of New York as now constituted lived in Manhattan south of 14th Street, compared with 4.2 percent today. The same number of people 312,000 resided in this area south of 14th Street in 1940 as in 1840. In 1830, 202,589 persons lived in Manhattan compared with 20,535 in Brooklyn, 9,049 in Queens, 7,082 in Richmond and only 3,023 in the Bronx. In the past 110 years the percentage of the New York City population living in Manhattan has declined at every decennial census from 83.6 percent in 1830 to 25 percent in 1940. Manhattan has thus grown less rapidly in population than the other boroughs for over a century and it has lost in absolute numbers since 1910 when it reached its peak population of 2,331,542.

PERCENTAGE OF THE POPULATION OF NEW YORK CITY IN EACH BOROUGH

(WITH CURRENT BOROUGH BOUNDARIES)

1790 - 1950*



* ESTIMATED FOR 1950

While the population of Manhattan has declined since 1910, the population of the Bronx more than tripled, gaining from 430,980 to 1,385,474 and the population of Queens more than quadrupled, rising from 284,041 to 1,291,314 between 1910 and 1940.

Manhattan is not merely losing net population but its higher income groups are being replaced by lower income groups as negroes in Harlem displace whites. It is estimated that 750,000 persons left Manhattan Island between 1920 and 1930, if account be taken not only of the net loss of 417,000 persons but of the fact that an influx of negroes and other groups displaced over 300,000 of the residents who were on the island in 1920.

This flight of population is mainly an exodus of residential population. Of the 2,458,000 persons engaged in all types of remunerative work in the city„ fully 1,715,000 or 70 percent are working in Manhattan, 411,000 or 17 percent work in Brooklyn; 172,000 or 7 percent in the Bronx; 129,000 or 5 percent in Queens and 31,000 or 1 percent in Richmond.

Thus the other boroughs are largely dormitories of the workers in Manhattan which is still the main beehive of commerce, industry and finance.

On Manhattan island alone are 61.5 percent of the workers in manufactures, 60 percent of the employees in retail trade, 84 percent of the workers in wholesale trade, 89 percent of the employees in insurance, real estate and finance and 93 percent of the workers in hotels.

Nor is Manhattan a negligible factor in the residential market, particularly in the case of high grade apartments. While Manhattan has only 25 percent of the total residential population, it had in 1934 67.1 percent of the apartment dwellers in New York City paying from $20 to $35 a month a room and 91.3 percent of all who paid $35 a room a month and over. Thus Manhattan still holds the upper class apartment area which furnish support close at hand for its high grade shops.

The concentration of high rent-paying families in Manhattan is strikingly indicated by the fact that in 1930 over one-quarter of the families in the United States paying $100 a month rent and over lived in Manhattan, and one half ot the families (22,203) paying $200 a month resided on that wealthy Island.

This distribution of rent paying families for Manhattan and the United States as a whole is indicated by the following table:

Table - Number of families in Manhattan and the United States in non-farm rented quarters paying given monthly rental, 1930

Rental	Manhattan	United States
Under #10	2391	510,114
$10 to 14	16403	782,005
15 to 19	26474	962,787
20 to 29	86133	2,178,212
30 to 49	110633	3,009,786
50 to 74	81562	1,464,279
75 to 99	32814	334,308
100 to 149	30047	157,436
150 to 199	15085	44,613
200 and over	22203	44,108
Not reported	20160	178,160
Total	453905	9,665,808

While rent levels have declined greatly in the last decade, the 1940 census will probably still show a relatively high proportion of the high rental groups in the United States living in Manhattan.

However, there has been an exodus of the middle class from the island, leaving the largest proportion of the very poor to balance the high proportion of the rich. Even in 1930, 141,401 families paying less than $30 a month resided in Manhattan compared to only 30,183 families in that group for the Bronx and Queens combined. On the other hand 225,009 families in Manhattan paid from $50 to $99 a month rent, compared to 712,191 families for the rest of the city, not to mention those in the suburbs. Thus Manhattan island, which once contained all the economic classes of the metropolis, now has only about one-fourth of the medium rent paying class within the city itself.

DISTRIBUTION OF INCOME EARNERS WORKING IN MANHATTAN BY EMPLOYMENT AREAS

BY OCCUPATIONAL CLASSIFICATIONS BY INCOME GROUPS

November, 1938

Employment Areas and Occupational Classification	TOTAL	Under $1,000	$1,000 to $1.499	$1,500 to $1.999	$2,000 to $2.499	$2,500 to $2.999	$3.000 to $3.499	$3.500 to $3.999	$4,000 to $4.499	$4.500 to $4.999	$5,000 and Over
Workers South of 14th Street											
Office and Independent Professional	318.818(a)	27.848	59.629	76,813	63,485	28,431	20.732	10,050	6.651	5.043	20.136
Retail and Wholesale Trade	147,369(b)	35.221	51,284	23.579	10,758	8,105	7.958	3.537	1.621	737	4,569
Factory	105,630(c)	23.662	34.752	28.731	11.725	4,331	1.056	739	211	106	317
Others	69.774(d)	27.491	15,420	14,235	4,814	3.279	1,186	1,256	558	488	1,047
Total Workers South of 14th Street	641.591	114,222	161,085	143.358	90.782	44,146	30,932	15,582	9.041	6.374	26,069
Workers—14th to 59th Street											
Office and Independent Professional	367.366(a)	29.344	62,899	82.164	70,301	33.330	24.388	13,292	9.054	7.665	34.929
Retail and Wholesale Trade	212,727(b)	50,842	74,029	34,036	15.529	11,700	11,487	5.105	2,340	1,064	6.595
Factory	262,620(c)	58,826	86,403	71,433	29.151	10,767	2,626	1,838	525	263	788
Others	83,649(d)	32.957	18,486	17,064	5.772	3.932	1,422	1,506	669	586	1,255
Total Workers—14th to 59th Street	926,362	171,969	241,817	204.697	120.753	59.729	39.923	21,741	12,588	9.578	43.567
Total Workers Above 59th Street	147.532(e)	26,556	39.391	29.359	22,425	8,557	7,229	2,951	2,803	1,475	6,786
Total Workers in Manhattan	1,715,485	312,747	442,293	377,414	233,960	112,432	78,084	40,274	24,432	17,427	76,422
Total Workers in Brooklyn	411,058(e)	69,058	116,329	93.310	67,825	24,252	20,142	8,221	4,522	1,644	5.755
Total Workers in Bronx	172,343(e)	29,815	50,325	34,641	28,264	11,030	9,651	2,930	2,068	1,034	2,585
Total Workers in Queens	128,535(e)	20,565	34,319	26,735	19,923	10,283	8,998	3,213	1,414	900	2,185
Total Workers in Richmond	30,990(e)	3,812	5,268	8,150	6,508	2,541	2,386	744	403	434	744
Total Workers in New York City	2,458,411	435,997	648,534	540,250	356,480	160,538	119,261	55,382	32,839	21,439	87,691

POPULATION TRENDS WITHIN THE NEW YORK METROPOLITAN REGION

There was a sharp decline in the rate of population growth for the entire New York Metropolitan region in the decade from 1930 to 1940. While New York City added 449,813 persons to its population in the last 10 years, its rate of growth for that period was only 6.5 percent compared with 23.3 percent for the decade from 1920 to 1930. The rate of growth of Westchester County was only 9.7 percent for the last decade, compared with 51.2 percent for the previous decade and Nassau County gained 33.6 percent in the last decade compared with 140 percent in the ten years from 1920 to 1930.

There was an even greater decline in the rate of population growth in the five New Jersey counties bordering on New York City. There was an absolute increase of only 33,009 persons for all five counties combined in the last decade,a growth of only 1.3 percent . Losses of 9000 in Hoboken, 14,000 in Newark and 15,000 in Jersey City, partially offset gains in the suburban towns. Hudson County declined by 40,932 or a loss of 5.9 percent compared with a gain of 9.8 percent for the previous decade. The rate of growth of Essex County declined from 27.8 percent from 1920 to 1930 to 0.2 percent for the last ten years. The rate of population gain of Bergen County dropped from 73.2 percent in the former decade to 11.9 percent in the latter decennial period. There were declines in the rate of population increase of Passaic County from 16.6 to 2.4 percent and in Union County from 52.5 percent to 7.0 percent in the same two census periods.

Population gains for entire boroughs of New York City and complete Counties obscure the specific trends of population growth however.

There were two main axes of growth radiating from New York City in the past decade and both followed the routes of the new Independent Subway to the City limits.

The first axis extends along the new subway lines from upper Manhattan north of 59th Street and west of Central Park and Eighth Avenue to the end of Manhattan Island, and it carries over into the Bronx at the Grand Concourse, extending along the new Grand Concourse subway line. In the Manhattan prong of this axis there has been a population gain of over 90,000 persons in the last decade and in the Bronx prong an increase of over 50,000 in the same period. This axis extends from the New York City line through the center of Westchester, along the White Plains branch of the New York Central which furnishes the best commuting service to the City and brings White Plains within 30 minutes of the Grand Central Terminal. Along this route in Westchester - including Mount Vernon, Bronxville, Scarsdale and White Plains, there has been a population growth of about 25,000 or half the total growth of Westchester County. This axis of growth spills over the George Washington Bridge into Bergen County New Jersey, which had the greatest absolute increase 43,530 as well as the greatest relative increase - 11.9 percent of any County in New Jersey in the last decade. The total population growth in the last decade along this first axis thus exceeds 200,000.

The second axis of maximum population growth extends along the route of the Independent Subway in Queens to Jamaica and thence spreads out fanwise through the central section of Long Island between Mineola and Freeport, with Hempstead the center of gravity. Great nodules of population growth have rapidly formed in new apartment buildings at the express stops on the new city subway with 13,000 gain at Queens Plaza, a 25,000 increase at Jackson Heights, 20,000 in Forest Hills and Kew Gardens and over 60,000 in the single family home areas extending south of the Grand Central Parkway east of Parsons and Sutphin Boulevards to the eastern limits of Queens. This axis of growth continues eastward into Hempstead, town of Nassau, which had a total population gain of 71,476 in the past decade, including increases of 4,045 in Garden City, 4,799 in

Rockville Center, 4,902 in Freeport, 5,188 in Valley Stream and 8,209 in the village of Hempstead.

Along this second major axis of population growth, there was a population increase of over 150,000 in Queens in the past decade and 75,000 in Nassau County or a total of 225,000.

There was a total increase of 4,162 in Manhattan, 120,519 in the Bronx, 212,185 in Queens 50,330 in Westchester County and 101,835 in Nassau County or a total of 489,034, but over 80 percent of this increase or 400,000 occurred in these two major belts.

Marginal areas with poor transportation extending northward up the Hudson River or eastward along the Sound had very slight rates of population gain.. An extensive belt of Queens along the Sound from its eastern limits to Jackson Heights had a population increase of only 1,500 in the past decade. Likewise marginal areas in Queens south of Rockaway Boulevard had a much slower rate of growth than the last central part of the borough.

DISTRIBUTION OF POPULATION WORKING IN MANHATTAN

According to a sample survey of 100,000 workers in Manhattan, made by the Federal Housing Administration in November 1938 (1), only 19 percent of those working in Manhattan live on the island, with only 2.1 percent living in the area below 14th Street. Of the rest, Brooklyn and Queens attract considerably more than half, with 25.2 percent and 19.9 percent respectively. The distribution of workers among the remaining residential areas is as follows: Bronx 13.4 percent, Richmond 2.2 percent, Suburban New York counties and Connecticut 6.3 percent, and the New Jersey counties 13.9 percent.

In 1934, Manhattan had only 25.1 percent of the resident population of New York City, but it had 68.4 percent of the working population. The other boroughs are consequently to a large extent dormitories for the workers of Manhattan as the following table shows:

Daytime population of the Boroughs of New York compared with Residential Population - 1934

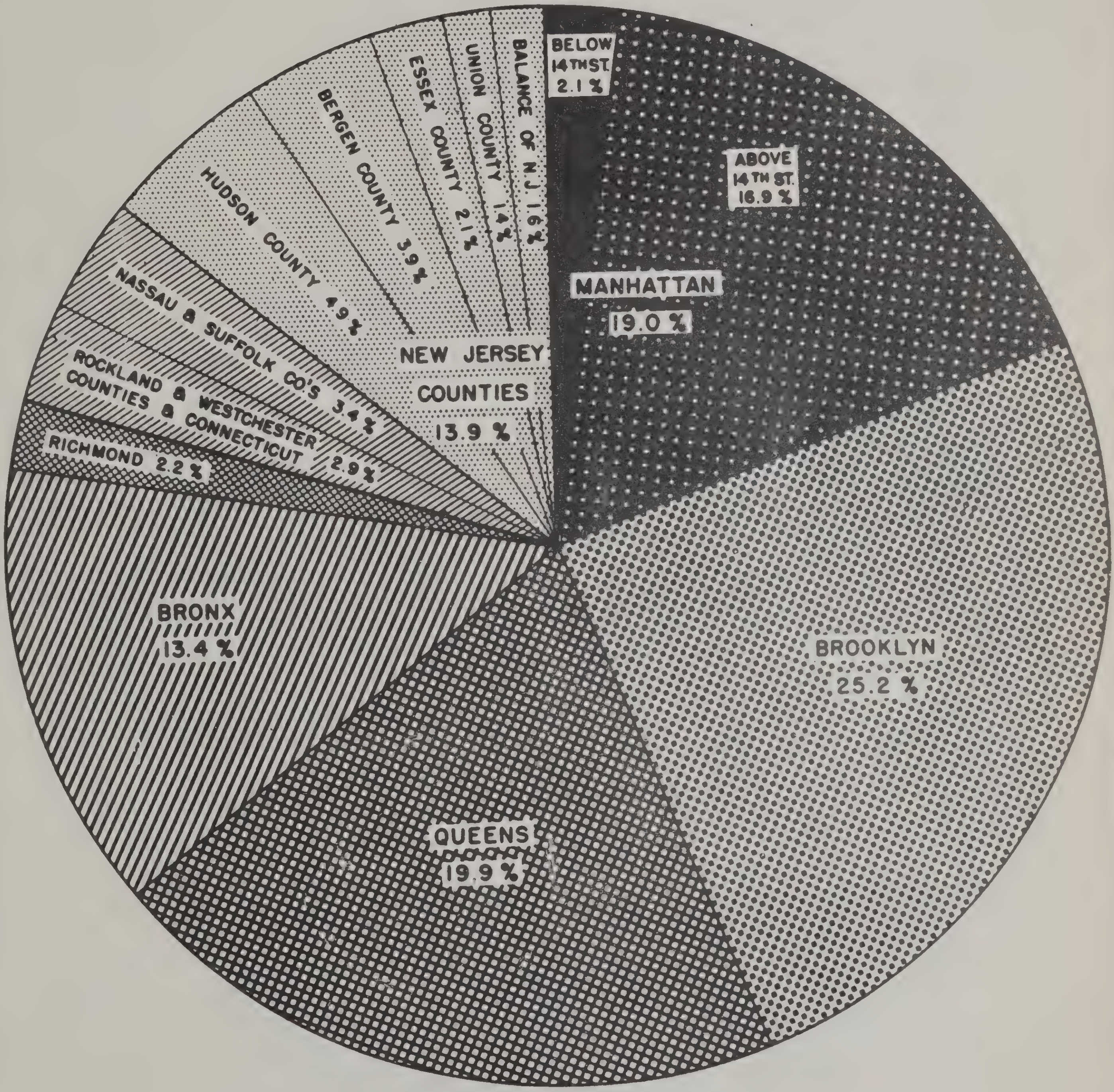
	Daytime Population	Percent of New York City	Resident Population	Percent of New York City
Manhattan	1,462,755	68.4	1,724,245	25.1
Brooklyn	373,689	17.5	2,550,448	37.1
Bronx	156,676	7.3	1,294,873	18.8
Queens	116,850	5.5	1,144,250	16.7
Richmond	28,173	1.3	160,338	2.3
TOTAL	2,138,143	100.0	6,874,154	100.0

As a result of the fact that the great majority of workers in Manhattan live in other boroughs and the northern part of Manhattan, 68.2 percent of the Manhattan workers spend over 40 minutes a day going to and from work, and 31.5 percent spend over an hour a day. The time required to go from the place of work in Manhattan to their home according to the borough in which they live is

(1) Homer Hoyt and L. Durward Badgley -- Housing Demand of the Workers in Manhattan

(2) Real Property Inventory of New York, 1934

PERCENTAGE DISTRIBUTION OF INCOME EARNERS WORKING IN MANHATTAN BY PLACE OF RESIDENCE
NOVEMBER, 1938

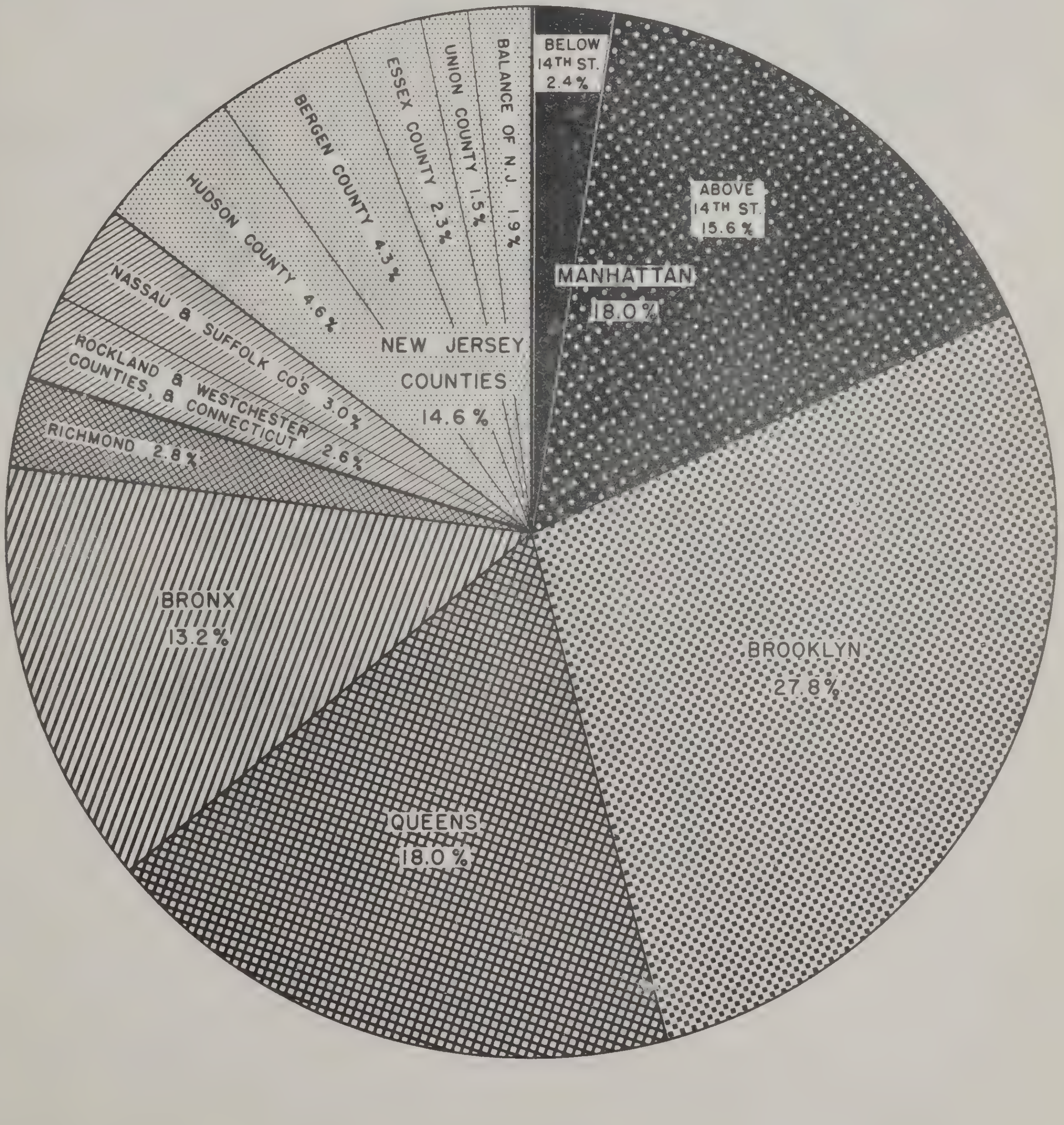


SOURCE ANALYSIS OF THE DEMAND FOR APARTMENTS IN THE LOWER EAST SIDE OF MANHATTAN NOVEMBER, 1938

FEDERAL HOUSING ADMINISTRATION
DIVISION OF ECONOMICS AND STATISTICS

BASED ON PERSONNEL RECORDS SAMPLE

PERCENTAGE DISTRIBUTION OF INCOME EARNERS WORKING IN MANHATTAN BELOW 14TH STREET, BY PLACE OF RESIDENCE NOVEMBER 1938



shown by the following table:

	Percentage distribution of total workers in Manhattan by the time required to travel from the areas of residence to places of work						Total all residential areas
	Manhattan	Bronx	Queens	Brooklyn	New Jersey	suburban New York	
Less than 20 minutes	26.1	.1	.5	1.9	.1	1.9	5.9
20 - 39 minutes	49.7	22.1	22.1	31.1	9.0	5.5	25.9
40 - 59 minutes	19.3	50.3	39.4	51.8	30.0	23.1	36.7
60 - 89 minutes	4.6	26.5	34.2	14.8	52.2	48.3	27.0
90 minutes and over	.3	1.0	3.8	.4	8.7	21.2	4.5
	100.0	100.0	100.0	100.0	100.0	100.0	100.0

In New York City it is estimated there were a total of 2,458,411 workers in November 1938 of which 1,715,485 worked in Manhattan. Of these 686,184 were office workers and independent professionals, 360,096 were in the retail and wholesale trades, and 368,252 were factory workers.

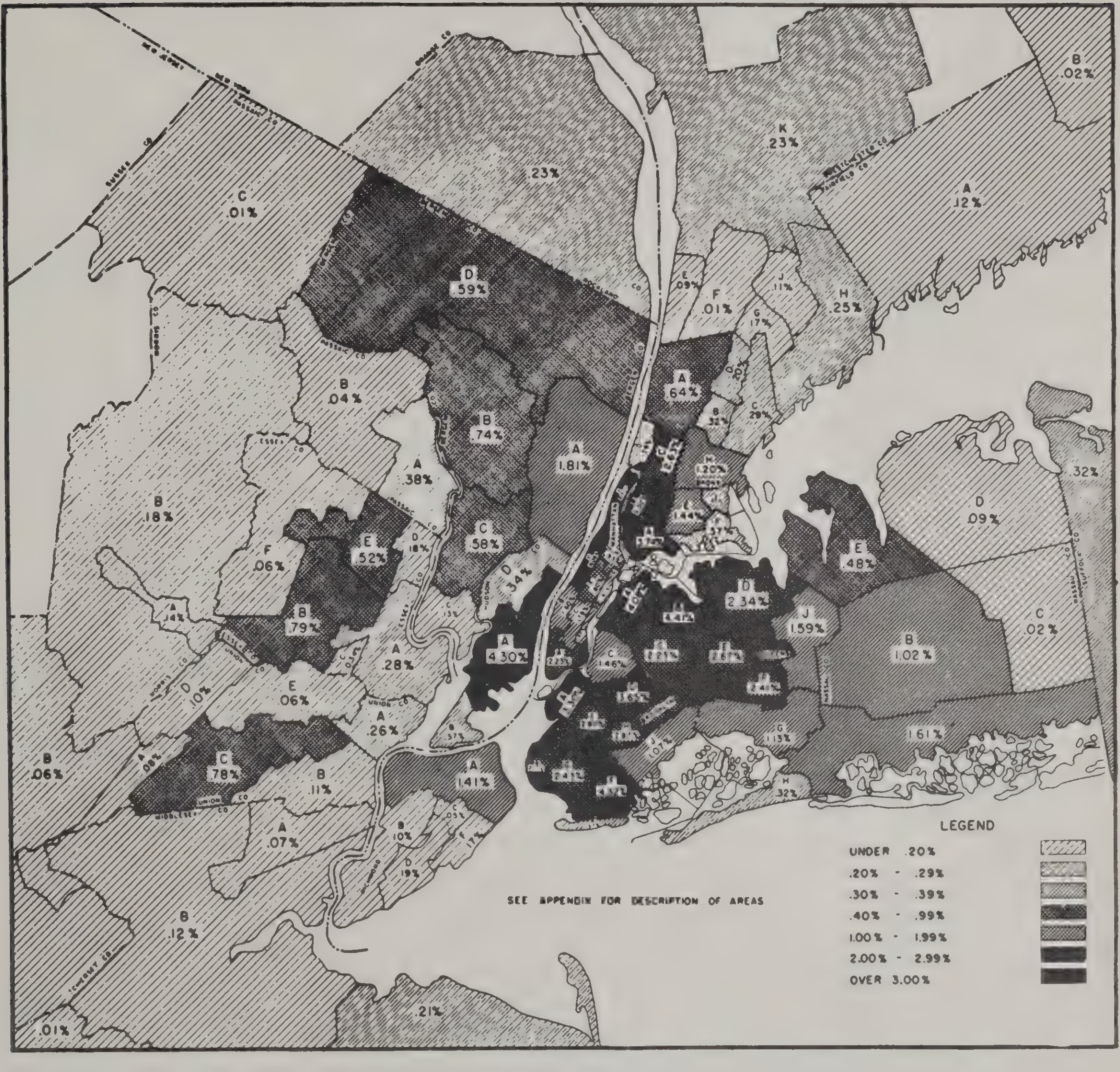
Of the workers in Manhattan, 76,422 were estimated to earn $5,000 or more a year, and 312,747 less than $1000.

The income distribution of workers in Manhattan is shown by the following table.

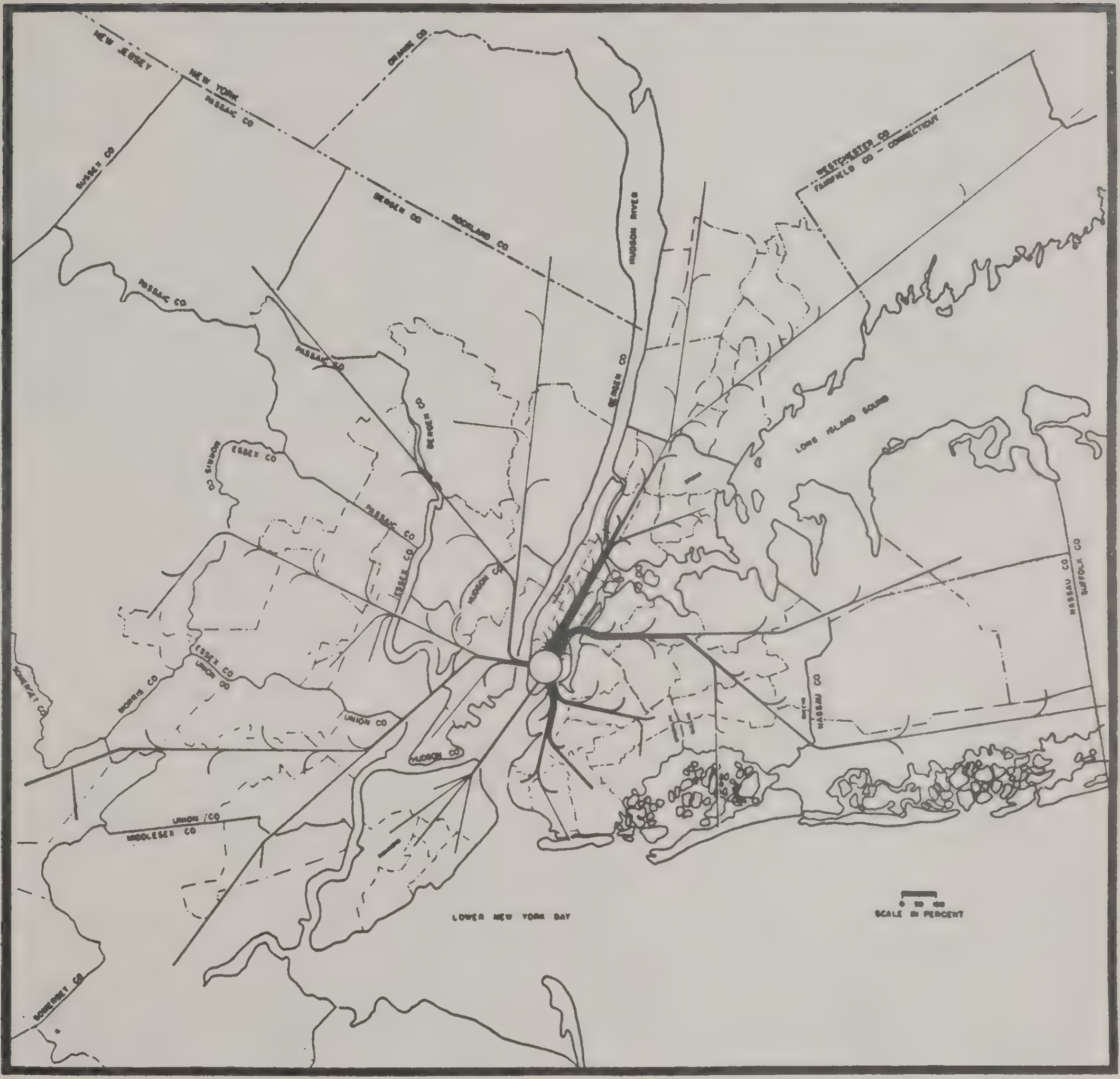
INCOME DISTRIBUTION OF WORKERS IN MANHATTAN

Under $1,000	312,747
$1,000 - $1,499	442,293
1,500 - 1,999	377,414
2,000 - 2,499	233,960
2,500 - 2,999	112,432
3,000 - 3,499	78,084
3,500 - 3,999	40,274
4,000 - 4,499	24,432
4,500 - 4,999	17,427
5,000 & over	76,422

PERCENTAGE DISTRIBUTION OF INCOME EARNERS WORKING IN MANHATTAN BY AREA OF RESIDENCE, 1938



DISTRIBUTION OF PERSONS WORKING IN MANHATTAN SOUTH OF 14th STREET BY AREAS OF RESIDENCE NOVEMBER, 1938

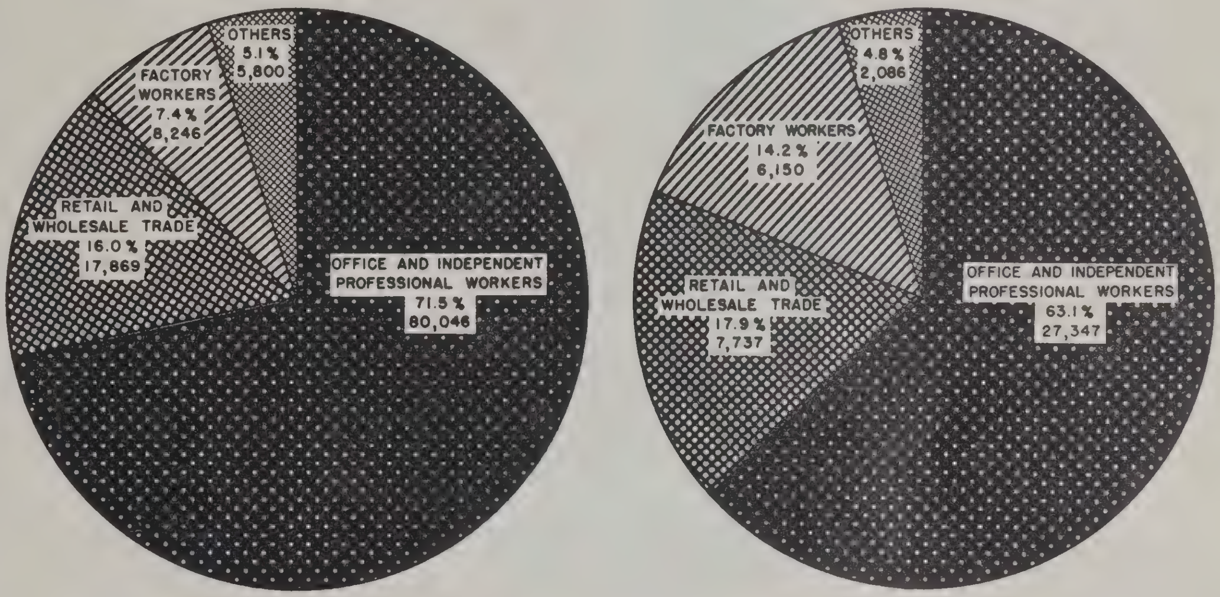


Population of the Boroughs of New York by Decades 1790 to 1940

Year	New York City	Manhattan	Brooklyn	Bronx	Queens	Richmond	Percent New York total in Manhattan
1790	49,401	33,131	4,495	1,781	6,159	3,835	67.1
1800	79,216	60,515	5,740	1,755	6,642	4,564	76.4
1810	119,734	96,373	8,303	2,267	7,444	5,347	80.5
1820	152,056	123,706	11,187	2,782	8,246	6,135	81.4
1830	242,278	202,589	20,535	3,023	9,049	7,082	83.6
1840	391,114	312,710	47,613	5,346	14,480	10,965	79.9
1850	696,115	515,547	138,882	8,032	18,593	15,061	74.1
1860	1,174,779	813,669	279,122	23,593	32,903	25,492	69.3
1870	1,478,103	942,292	419,821	37,393	45,468	33,029	63.8
1880	1,911,698	1,164,673	599,495	51,980	56,559	38,991	60.9
1890	2,507,414	1,441,216	838,547	88,908	87,050	51,693	57.5
1900	3,437,202	1,850,093	1,166,582	200,507	152,999	67,021	53.8
1910	4,766,883	2,331,542	1,634,351	430,980	284,041	85,969	48.9
1920	5,620,048	2,284,103	2,018,356	732,016	469,042	116,531	40.6
1930	6,930,446	1,867,312	2,560,401	1,265,258	1,079,129	158,316	26.9
1940	7,380,259	1,871,474	2,660,479	1,385,777	1,291,314	171,215	25.3

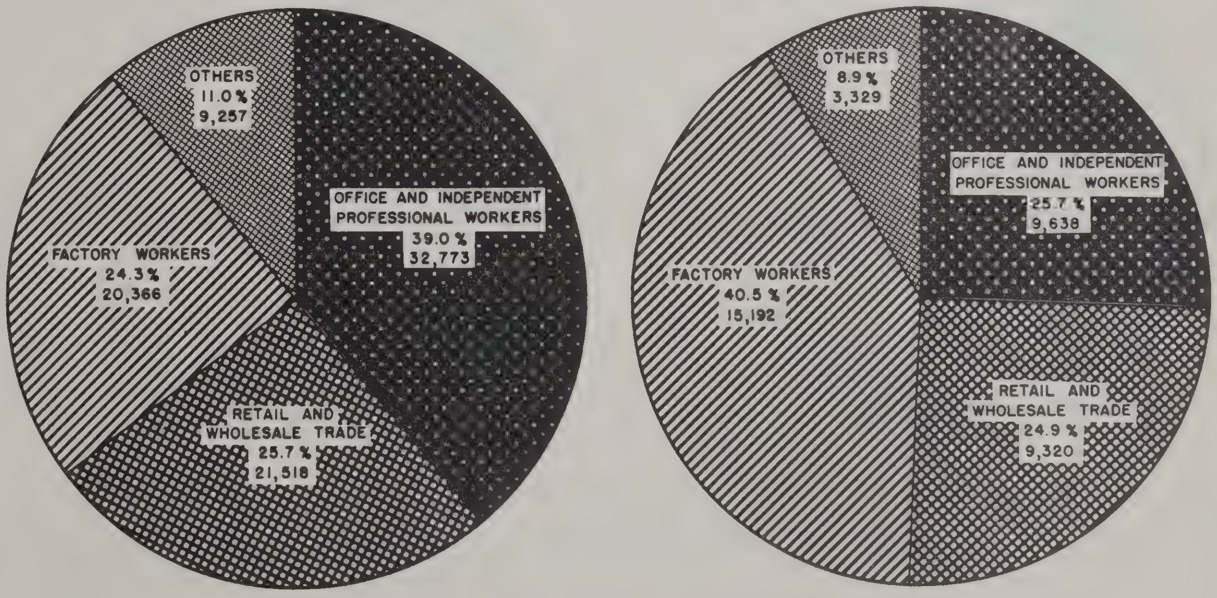
NUMBER AND PERCENTAGE DISTRIBUTION OF ELIGIBLE PROSPECTS* WORKING IN MANHATTAN, BY OCCUPATIONAL CLASSIFICATIONS AND EMPLOYMENT AREAS
NOVEMBER 1938

(1) ELIGIBLE FOR APARTMENTS RENTING FOR $ 50 AND OVER PER MONTH


WORKING SOUTH OF 14TH STREET

WORKING 14TH TO 59TH STREET

(2) ELIGIBLE FOR APARTMENTS RENTING FOR $ 25 TO $ 50 PER MONTH

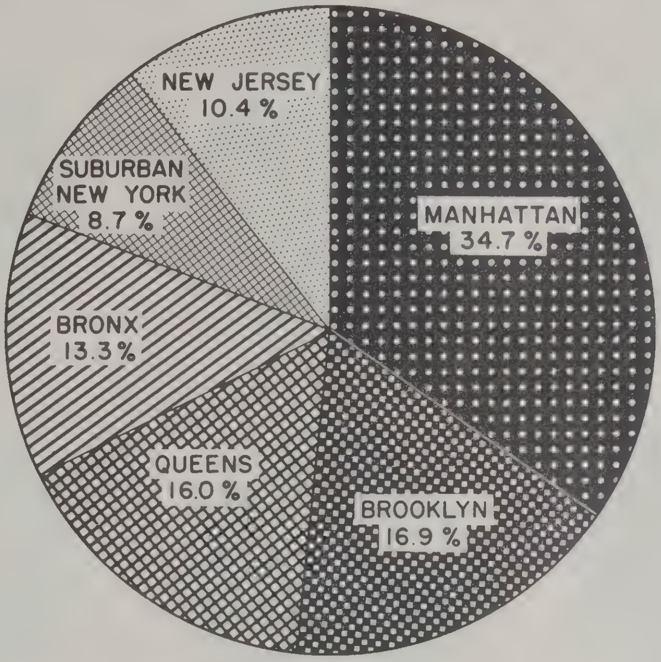

WORKING SOUTH OF 14TH STREET

WORKING 14TH TO 59TH STREET

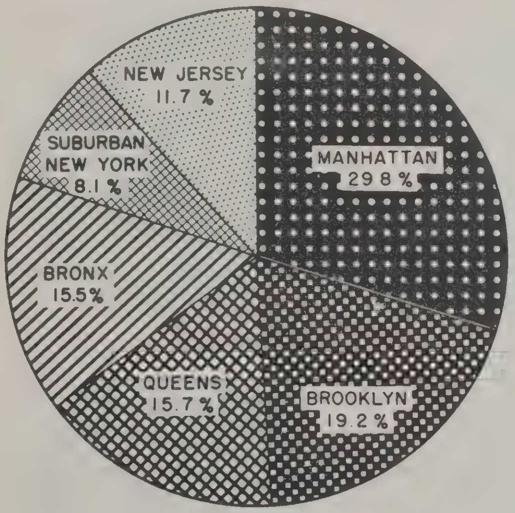
*ELIGIBLE PROSPECTS FOR APARTMENTS IN THE LOWER EAST SIDE ARE PRINCIPAL INCOME EARNERS WITH FAMILIES OF 4 OR LESS PERSONS, NOW LIVING IN MULTI-FAMILY DWELLINGS, WITH INCOMES AS FOLLOWS, GROUP (1) $ 2,000 AND OVER, GROUP (2) $ 1,000 TO $ 1,999. THE ELIGIBLE PROSPECTS "WORKING 14TH TO 59TH STREET" HAVE BEEN ADJUSTED FOR COMPETITION FROM OTHER APARTMENT AREAS.

PERCENTAGE DISTRIBUTION OF ELIGIBLE PROSPECTS* WORKING IN MANHATTAN BY PLACE OF RESIDENCE

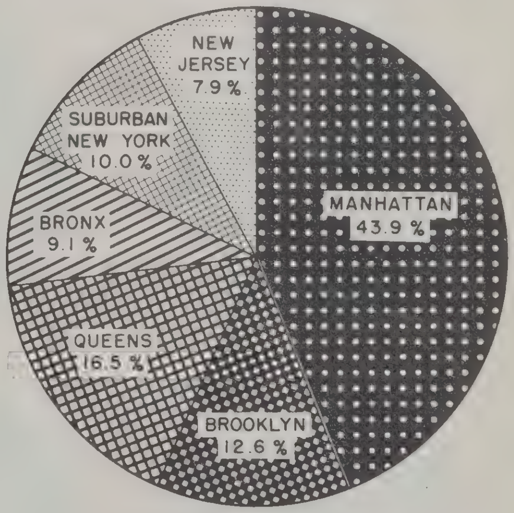
TOTAL WORKING IN MANHATTAN



WORKING SOUTH OF 14TH ST.



WORKING NORTH OF 14TH ST.



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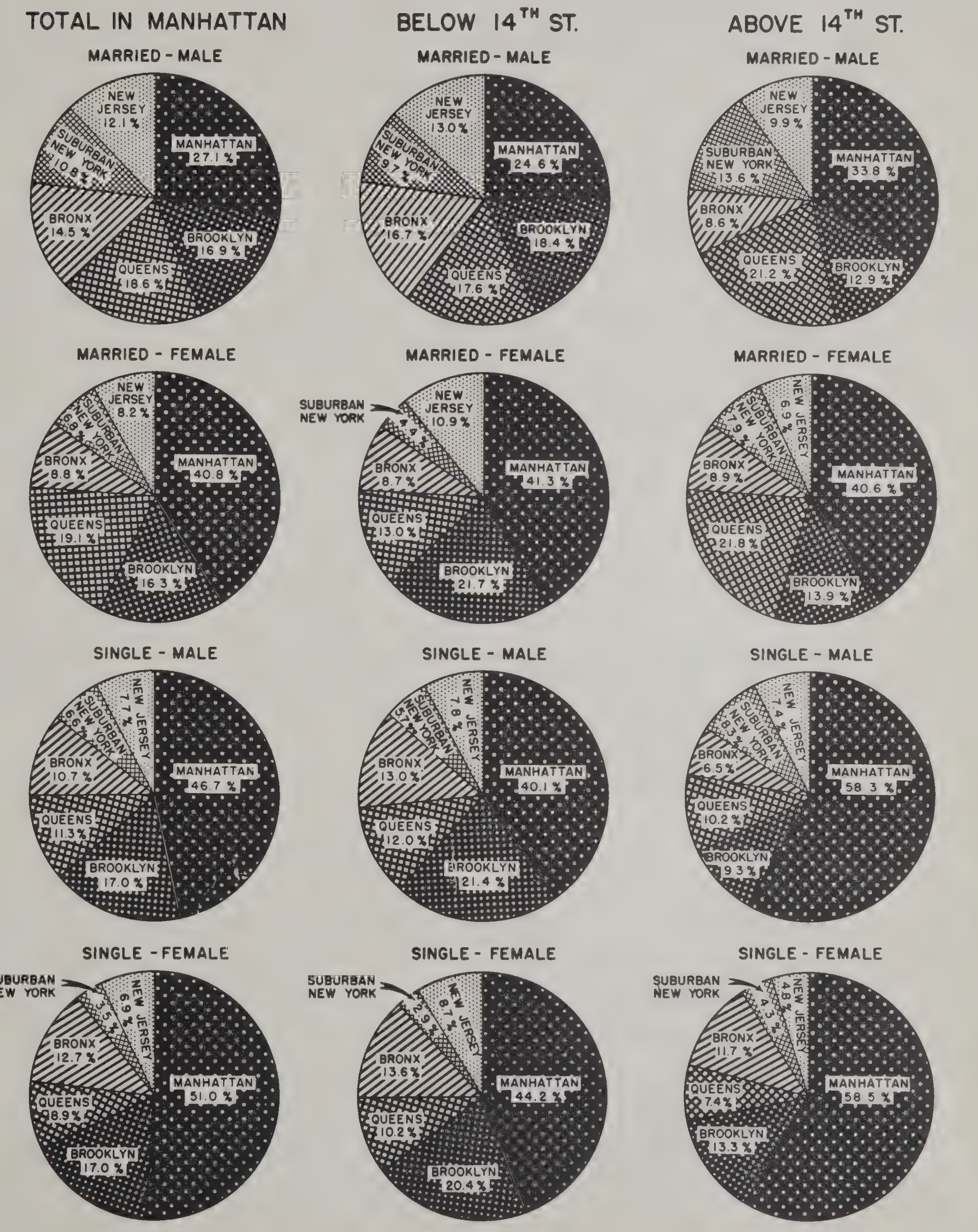
*ELIGIBLE PROSPECTS ARE PRINCIPAL INCOME EARNERS, NOW LIVING IN MULTI-FAMILY DWELLINGS, PAYING $50.00 OR MORE PER MONTH IN RENT AND HAVING FAMILIES CONSISTING OF 4 OR LESS PERSONS

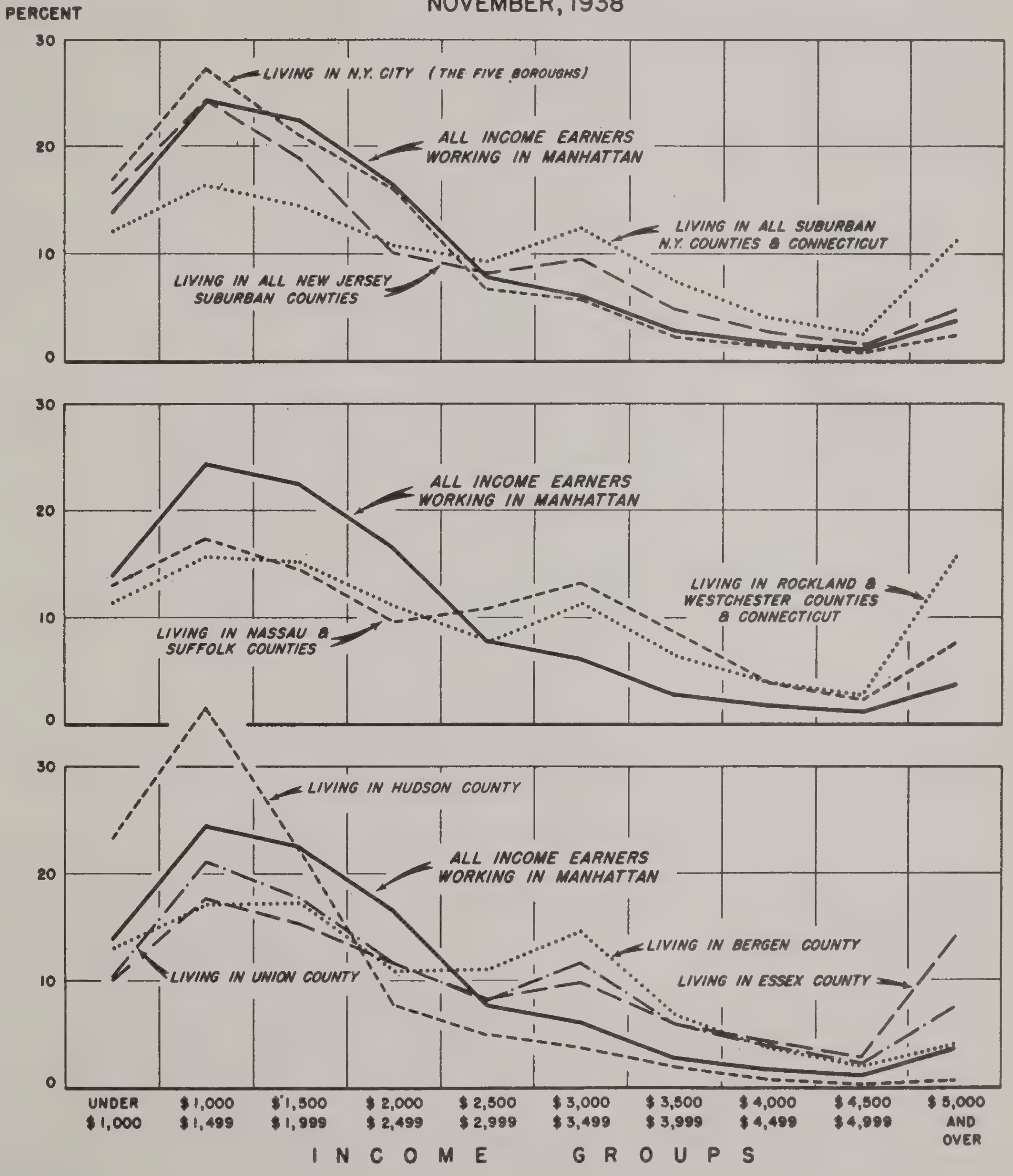
PERCENTAGE DISTRIBUTION OF ELIGIBLE PROSPECTS* WORKING IN MANHATTAN ABOVE OR BELOW 14TH ST., BY SEX AND MARITAL STATUS OF THE PRINCIPAL INCOME EARNER, BY PLACE OF RESIDENCE



*ELIGIBLE PROSPECTS ARE PRINCIPAL INCOME EARNERS WITH FAMILIES OF 4 OR LESS PERSONS, LIVING IN RENTED MULTI-FAMILY DWELLINGS AND PAYING $ 50.00 AND OVER A MONTH FOR RENT PLUS TRANSPORTATION

PERCENTAGE DISTRIBUTION OF SAMPLE OF INCOME EARNERS WORKING IN MANHATTAN BY INCOME GROUPS

INCOME EARNERS IN THE PRINCIPAL RESIDENTIAL AREAS
COMPARED WITH ALL THE INCOME EARNERS WORKING IN MANHATTAN
NOVEMBER, 1938



III

THE ECONOMIC BACKGROUND OF NEW YORK CITY

THE BASIC SOURCES OF EMPLOYMENT AND TAXPAYING ABILITY

1. MANUFACTURING
2. RETAIL TRADE
3. WHOLESALE TRADE
4. FOREIGN TRADE - THE PORT
5. IMMIGRATION
6. FINANCE - STOCKS EXCHANGES AND BANKS
7. LIFE INSURANCE
8. UTILITIES
9. HOTELS
10. SUMMARY OF SOURCES OF EMPLOYMENT

THE ECONOMIC BACKGROUND OF NEW YORK CITY

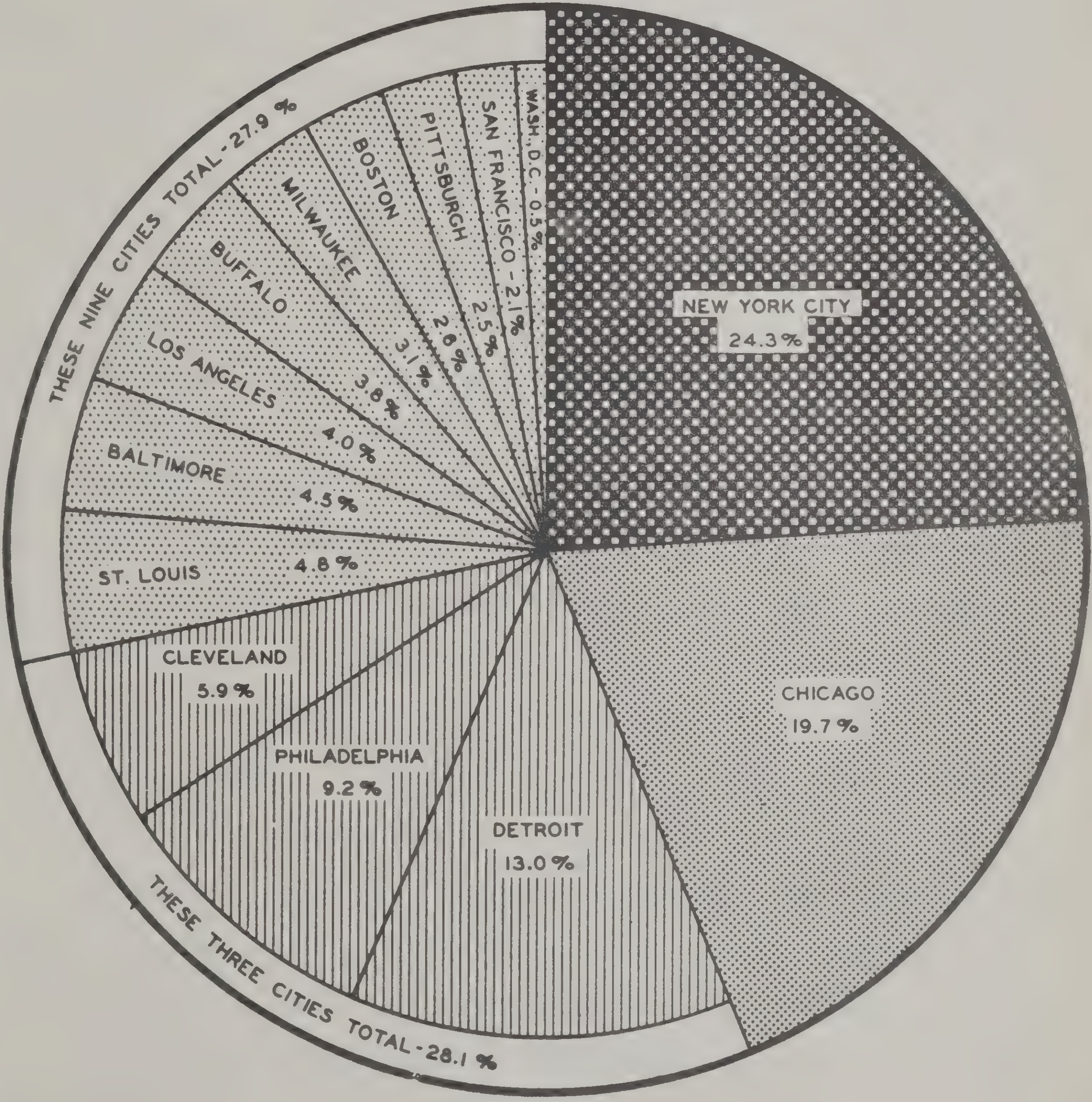
THE BASIC SOURCES OF EMPLOYMENT AND TAXPAYING ABILITY

1. MANUFACTURING

NEW YORK CITY'S INDUSTRIAL PROMINENCE

COMPARISON OF THE VALUE OF MANUFACTURED PRODUCTS AMONG THE FOURTEEN CITIES HAVING POPULATIONS ABOVE 500,000.

1937



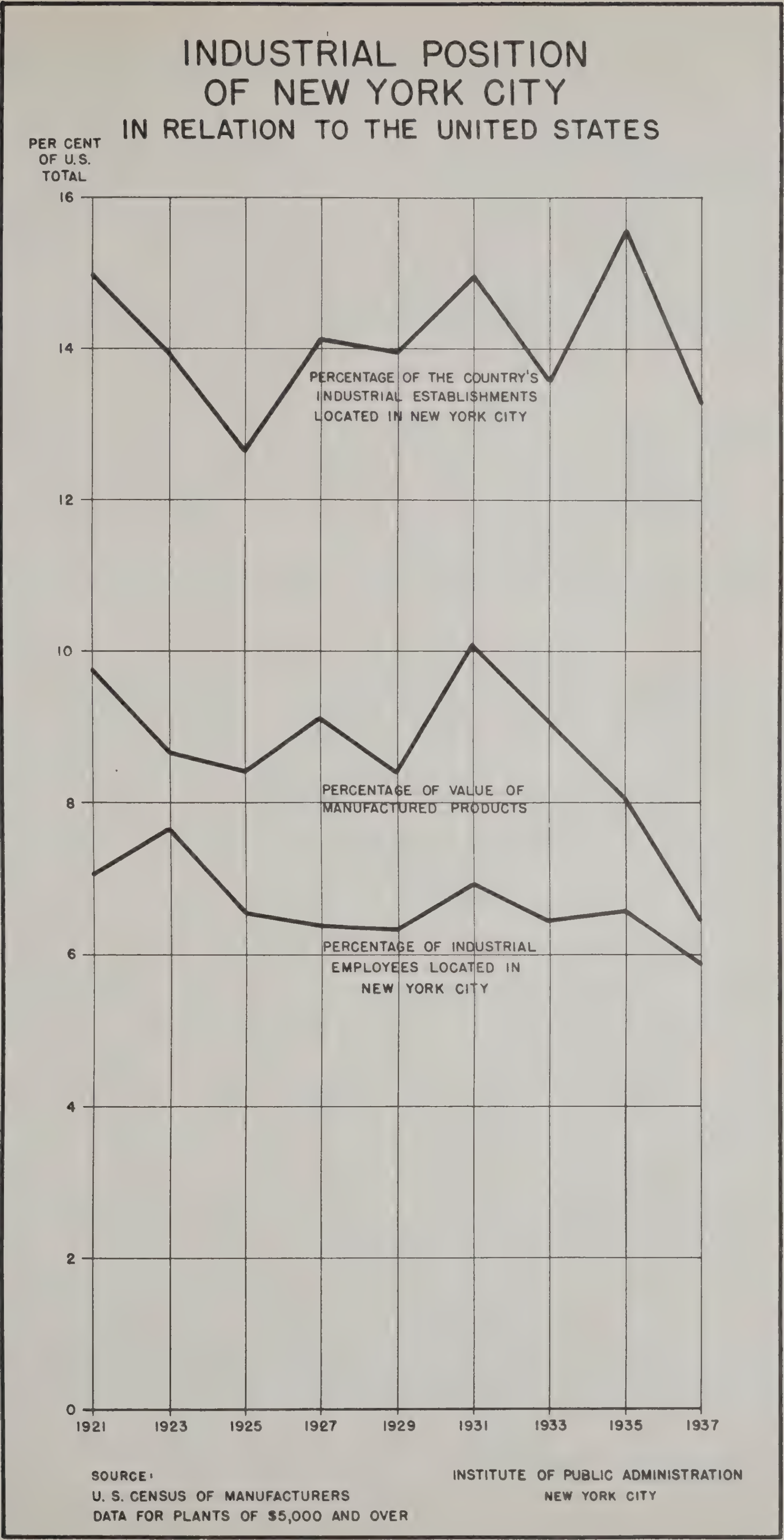
TOTAL VALUE OF PRODUCTS MANUFACTURED IN THESE CITIES - $16,265,643,951

THE INDUSTRIES OF NEW YORK CITY

Because New York City is the predominating financial, wholesale, insurance and theatre center in the Western Hemisphere, its importance as an industrial center is sometimes overlooked. Yet New York is also the largest industrial city in the United States, its production accounting for one-quarter of the output of the fourteen largest cities, followed by Chicago with one-fifth and Detroit with one-eighth of the factory output. New York is pre-eminent for the manufacture of consumers' goods with 87 percent of its production in 1927 falling in that category as compared to Boston with 71 percent of its output consisting of consumers' goods, Baltimore with 70 percent, Philadelphia with 67 percent and Los Angeles with 65 percent. New York thus stands at the opposite pole from cities like Detroit, Buffalo and Cleveland where heavy industries predominate.

There are few large plants in New York City. In 1937 there were a total of 22,235 separate establishments, most of which were operating in loft buildings. Clothing is the leading industry. In it are employed 38 percent of New York City's 506,208 industrial workers. The metal products and machinery, printing and publishing and foods and beverages ranked respectively, second, third and fourth and the number employed were from 10.6 to 11.6 percent of the total industrial workers. The remaining 39 percent of the industrial workers of New York City are divided up among the vast number of non-durable consumers' goods industries.

From 1919 to 1937 there was a downward trend in the number of workers employed in manufacturing in New York City. The number of factory workers in the metropolitan area declined from 636,370 in 1919 to 563,249 in 1929 and to 506,208 in 1937. These were all peak years in industrial production so that this decline is evidence of a long downward trend. The same trend has, it is true, been characteristic of the United States as a whole. As a result of the increased mechanization of industry, with a greater output per worker, the number of industrial


INDUSTRIAL POSITION
OF NEW YORK CITY
IN RELATION TO THE UNITED STATES
PER CENT OF U.S. TOTAL
16
14
12
10
8
6
4
2
0
1921
1923
1925
1927
1929
1931
1933
1935
1937
PERCENTAGE OF THE COUNTRY'S INDUSTRIAL ESTABLISHMENTS LOCATED IN NEW YORK CITY
PERCENTAGE OF VALUE OF MANUFACTURED PRODUCTS
PERCENTAGE OF INDUSTRIAL EMPLOYEES LOCATED IN NEW YORK CITY
SOURCE:
U. S. CENSUS OF MANUFACTURERS
DATA FOR PLANTS OF $5,000 AND OVER
INSTITUTE OF PUBLIC ADMINISTRATION
NEW YORK CITY

wage earners in the United States declined from 9,050,559 in 1919 to 8,838,743 in 1929, and to 8,569,231 in 1937. Still the decline in manufacturing employment in New York City has been greater than for the country as a whole, dropping from 7 percent of the total number of wage earners in 1919 to 6 percent in 1937. At the same time the value of products manufactured in New York City declined from 9.2 percent of the national total in 1927 and 8.6 percent in 1929 to 6.5 percent in 1937.

Likewise, the value added by manufacture has dropped from about 10 percent of the United States total in 1919 to about 7 percent in 1937. In the ten year period from 1927 to 1937 the average number of industrial wage earners in New York City declined 8.4 percent while the number increased 2.8 percent in the United States.

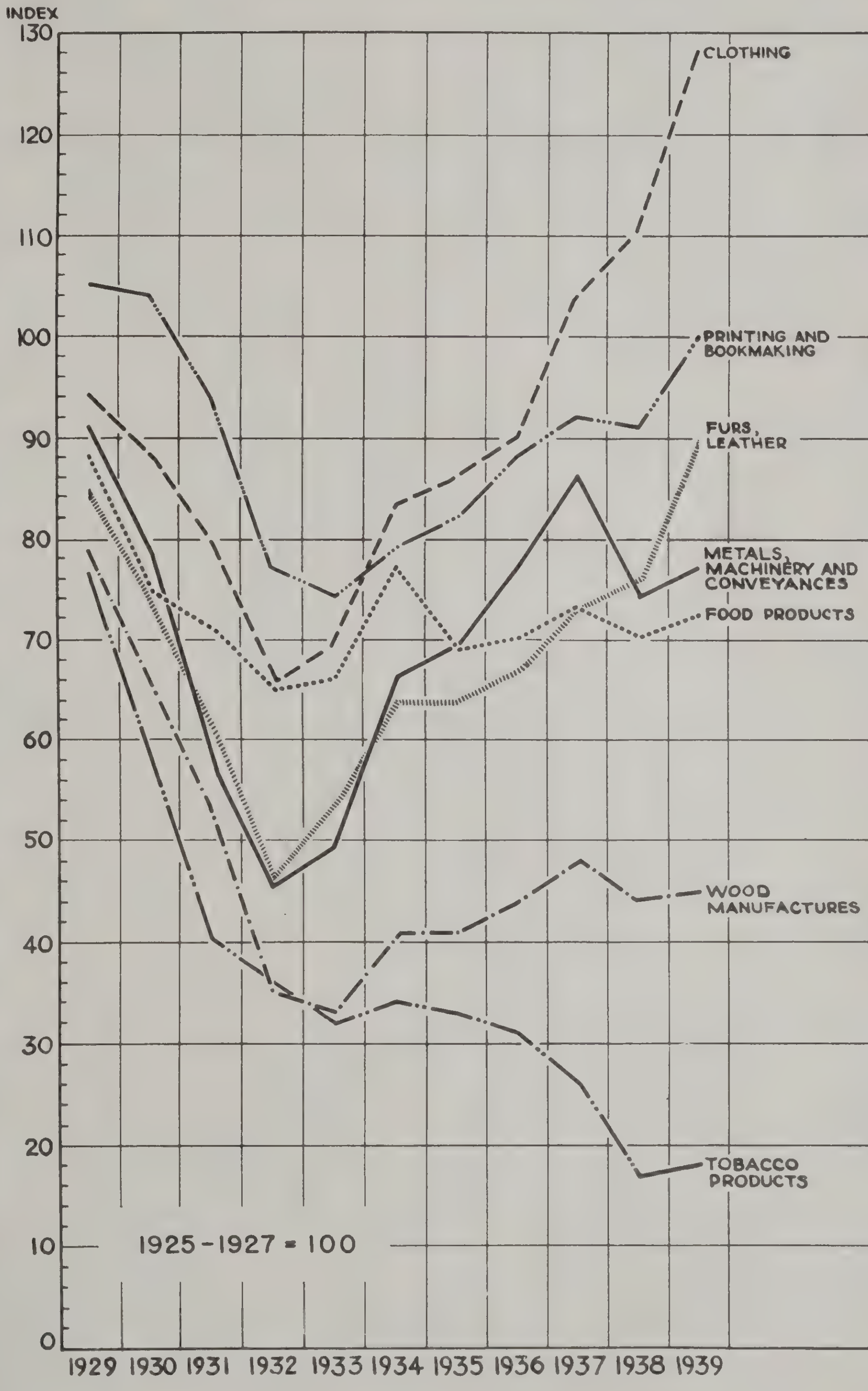
This downward trend in manufacturing employment may have been reversed in the last few years. According to the Industrial Directories of New York State for 1936 and 1940 the number of persons employed in manufacturing in New York City and Westchester county increased from 663,235 in 1936 to 692,502 in 1940, an increase of 29,267. About half of this increase or 14,388 was the result of expansion of the employment in defense industries from 127,992 in 1936 to 142,380 in 1940.

Likewise the indexes of the New York State Department of Labor indicate a rise of industrial employment in New York City from an average 83 in 1937 to 90.6 in 1939, on the basis of the 1923 to 1925 average equal to 100, with some months of 1939 even rising above that level. The total employment in manufacturing in the United States declined from 8,569,231 in 1937 to 7,887,242 in 1939, a decrease of 8 percent, and the value of manufactured products dropped from $60,712,871,737 in 1937 to $56,828,807,223 in 1939, a fall of 6.4 percent.

New York City and Westchester County's share of the national total of industrial employment apparently increased from about 7.8 percent of the national total in 1937 to 8.8 percent in 1939, chiefly as a result of the increased employment in women's clothing in New York, while the capital goods industries in the United States were declining. This estimate for New York's share of the national

INDEX OF EMPLOYMENT IN SEVEN MAJOR INDUSTRIES

NEW YORK CITY 1929-1939

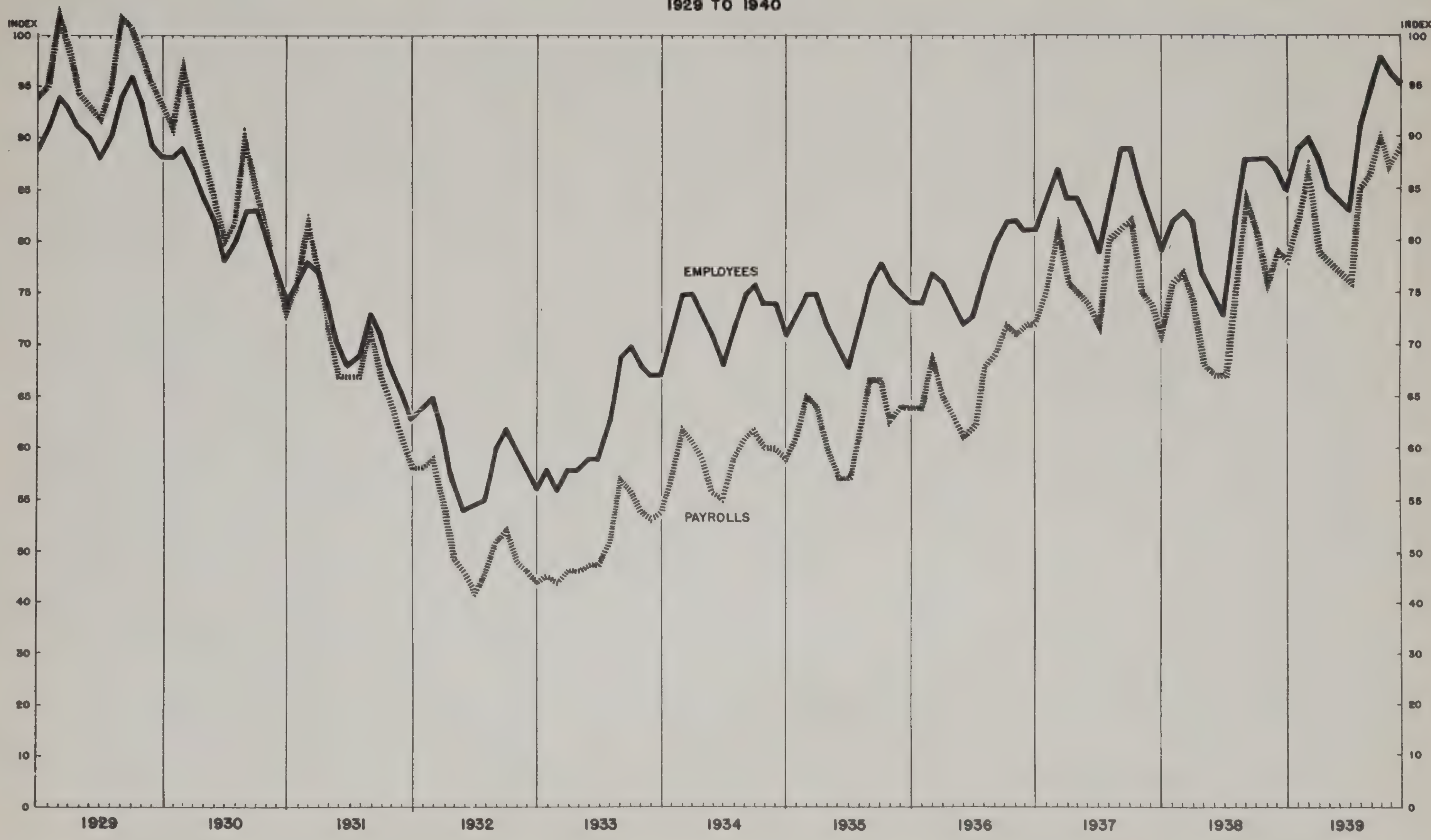


SOURCE:
N. Y. STATE DEP'T. OF LABOR

INSTITUTE OF PUBLIC ADMINISTRATION
NEW YORK CITY

TREND OF INDUSTRIAL EMPLOYMENT IN NEW YORK CITY

1929 TO 1940



DATA FROM
NEW YORK STATE DEP'T. OF LABOR

1925-27=100

LONG-RANGE STUDY
INSTITUTE OF PUBLIC ADMINISTRATION
NEW YORK CITY

factory employment is subject to revision when the U.S. Census figures for New York City industrial employment for 1939 are released. An analysis of the figures of the U.S. Census of Manufactures for 1919 and 1937 for each separate industry reveals how each industry in New York City has fared compared with the same industry outside New York. If a group of 80 industries, representing 78 percent of all industries in New York, be compared with the same 80 industries in the United States, then the percentage of the New York City wage earners to the United States total in the same industries drops from 11.6 in 1919 to 9.9 in 1929, and 8.9 in 1937.

The decline in specific industries is especially marked. While the number employed in book binding increased in the United States from 20,364 in 1919 to 25,333 in 1937, it declined in New York from 7,141 to 6,671, or from 35.1 percent to 26.3 percent of the national total. In cigars and cigarettes there was a decline in New York from 15,855 to 2,351 or from 11.4 percent to 2.9 percent of the Unites States total. There was a most drastic decline in the number employed in making men's clothing or from 54,977 in 1919 to 32,629 in 1937 or from 24 percent to 11 percent of the national total. The employment in foundry and machine shop products dropped from 21,214 in 1919 to 14,747 in 1929 and 6,749 in 1935. Even in women's apparel the employment dropped from 125,774 in 1919 to 118,575 or a drop from 53.5 percent of the nation's total to 42.2 percent. The number employed in silk and rayon manufacturers also declined sharply in the same period. Substantial declines in employment in New York between 1919 and 1937 was also registered in the manufacture of boxes, chemicals, confectionary, cooperage, drugs, ice, motor vehicles, non-ferrous metals, metal paint and varnish, printing and stamped metal products. There were moderate gains in total employment this period in bread products, knit goods, toys and photo-engraving and absolute gains more rapid than the rest of the United States for goods, office fixtures and instruments and apparatus.

NEW YORK CITY INDUSTRIES WHICH INCREASED OR MAINTAINED THEIR SHARES OF THE WAGE EARNERS IN THEIR RESPECTIVE U.S. INDUSTRIES BETWEEN 1919 AND 1937

	Average Number of Wage Earners								
	New York City in Percent of United States			New York City			United States		
Industry	1919	1929	1937	1919	1929	1937	1919	1929	1937
Brushes, other than rubber	11.6	16.2	14.4	925	1,180	1,142	7,968	7,261	7,915
Buttons	20.2	11.7	21.0	3,153	1,056	2,519	15,577	9,034	12,026
Concrete products	1.4*	2.3	2.9	118	371	367	8,378	16,505	12,840
Engraving, except steel, copperplate, etc.	26.2	35.2	30.8	493	790	662	1,878	2,240	2,152
Envelopes	12.0	12.7	14.2	975	1,320	1,347	8,129	10,367	9,511
Flavoring extracts and syrups	11.4	11.7	20.0	409	593	832	3,586	5,041	4,162
Fur goods	62.2	67.0	75.1	8,503	10,589	9,727	13,639	15,752	12,952
Furniture, store and office fixtures, etc.	4.8	5.3	5.2	7,398	10,738	9,297	155,311	203,366	179,091
Gloves & mittens, leather	4.3	2.9	4.8	461	268	565	10,685	9,203	11,637
Grease & tallow, except lubricating greases	6.3	7.8	9.3	417	429	485	6,647	5,475	5,200
Hair work	51.1	62.8	65.4	555	225	284	1,084	359	434
Hand stamps & stencils, and brands	14.7	19.0	16.4	314	565	390	2,136	2,971	2,375
Instruments & apparatus	19.4	16.2	24.4	5,200	4,466	5,364	26,744	27,536	21,973
Jewelry & jewelers' findings & materials	16.2	17.5	17.9	5,017	4,885	4,086	30,971	27,922	22,838
Lasts & related products	7.6	11.4	11.8	221	194	171	2,910	1,706	1,444
Marble, granite, etc., cut and shaped	5.7	9.1	8.3	1,868	3,447	1,724	32,768	37,817	20,816
Meat packing, wholesale	2.8	3.8	3.3	4,457	4,648	4,189	160,996	122,505	127,476
Optical goods	4.3	6.5	5.1	626	630	612	14,723	9,701	11,998
Ship & boat building	6.8	16.6	12.2	26,192	9,139	7,583	387,446	55,089	62,274
Signs& advertising novelties	9.4	10.3	14.4	985	2,062	2,314	10,432	20,000	16,042
Statuary & art goods, except concrete	19.3	23.8	22.6	283	479	194	1,466	2,112	858
Structural & ornamental metal work	6.1	8.1	6.1	2,675	4,418	2,353	43,962	54,947	38,914
Window shades (textile & paper) & fixtures	7.6	9.3	10.9	337	436	345	4,411	4,708	3,166
Total (above 23 industries)	7.5	9.7	9.6	71,582	62,928	56,552	951,747	652,117	587,994

NEW YORK CITY INDUSTRIES WHICH DECREASED THEIR SHARES OF THE WAGE EARNERS IN THEIR RESPECTIVE U.S. INDUSTRIES BETWEEN 1919 AND 1937

	Average Number of Wage Earners								
	New York City in Percent of United States			New York City			United States		
Industry	1919	1929	1937	1919	1929	1937	1919	1929	1937
Bookbinding & blank-book making	35.1	34.5	26.3	7,141	8,547	6,671	20,364	24,754	25,333
Boxes, paper, not elsewhere classified	16.5	12.5	10.8	9,249	6,931	7,037	55,862	55,554	65,158
Boxes, wooden, except cigar boxes	3.4	2.1	1.5	1,450	628	384	42,445	30,554	25,981
Bread & other bakery products	15.3	11.7	10.4	21,738	23,383	24,991	141,592	200,941	239,388
Canned & dried fruits & vegetables	2.7	1.6	1.4	1,653	1,625	1,931	77,486	98,966	137,064
Caskets, coffins and burial cases	7.5	5.7	5.7	891	738	783	11,990	13,033	13,678
Chemicals, not elsewhere classified	2.6	1.9	1.5*	1,603	1,255	1,028*	60,547	65,509	69,626*
Cigars and cigarettes	11.4	6.0	2.9	15,855	6,259	2,351	138,773	105,308	82,028
Confectionery	14.2	12.8	11.2	10,858	8,121	6,005	76,493	63,501	53,722
Cooperage	7.0	3.7	1.7	925	390	166	13,219	10,591	9,588
Doors, window sash & frames, etc., metal	28.8	20.1	14.8	597	1,926	1,247	2,077	9,557	8,408
Drugs, medicines & related chemicals	14.2	8.2	10.9	4,684	2,128	3,089	33,012	27,122	28,417
Dyeing & finishing textiles	5.4	4.7	3.3	3,032	3,738	2,488	55,985	79,327	74,982
Electrical machinery, apparatus, etc.	4.6	3.5	3.3	11,287	13,042	11,811	246,981	369,805	356,626
Electroplating	16.8	10.6	12.4	510	627	1,023	3,024	5,928	8,256
Engraving, steel, copperplate, etc.	33.2	31.5	29.7	2,403	3,237	2,328	7,249	10,272	7,831
Foundry & machine-shop products & machinery	3.7	2.7	1.8*	21,214	14,747	6,749*	571,779	547,819	370,243*
Furs, dressed & dyed	47.1	57.4	35.7	2,389	2,970	2,265	5,075	5,167	6,343
Ice cream	7.9	7.7	7.0	1,514	1,716	1,305	19,155	22,399	18,644
Ice, manufactured	4.5	5.0	3.9	1,371	1,598	731	30,247	32,184	18,705
Ink, printing	34.2	34.9	31.6	680	855	882	1,988	2,448	2,793
Jewelry & instrument cases	31.6	30.0	29.9	867	680	1,432	2,734	2,269	4,788
Knit goods	5.1	5.2	4.8*	8,800	10,874	10,414*	172,572	208,488	219,776*
Lapidary work	71.2	56.9	39.2	823	288	85	1,155	506	217
Leather: tanned, curried & finished	0.5	0.6	0.3	329	292	130	72,476	49,932	50,690
Lighting equipment	21.2	21.7	17.7	3,847	5,121	3,839	18,155	23,580	21,743
Lithographing	33.3	25.7	24.7	5,198	4,983	5,948	15,618	18,979	24,079
Mattresses & bed springs	9.8	7.0	7.7	1,243	1,201	1,474	12,637	17,187	19,165
Men's furnishing goods	30.6	21.5	17.7*	8,608	6,987	4,004*	26,483	32,414	22,636*
Men's, youths' & boys' clothing	24.1	13.0	11.1	54,977	32,931	32,629	227,666	252,045	295,302
Mirrors & other glass products	20.2	17.5	14.7	1,936	1,894	1,858	9,079	10,811	12,652
Miscellaneous articles, n.e.c.	38.0	32.2	36.3	5,632	6,159	5,762	14,803	19,113	15,854
Models & patterns, except paper patterns	13.8	10.2	12.4	962	693	711	6,949	6,778	5,728
Motor-vehicle bodies and parts	1.8	0.9	0.5	2,447	2,049	1,402	132,556	221,332	284,813
Musical instruments, parts & materials	8.5	7.7	7.0	348	244	237	4,113	3,176	3,409
Nonferrous-metal products, except aluminum	7.5	4.9	2.7	5,854	3,916	2,241	78,512	79,183	83,016
Paint and varnish	16.0	12.3	9.6	3,455	3,587	3,053	21,507	29,211	31,664
Paper goods, not elsewhere classified	20.0	12.6	11.7	2,824	2,544	3,861	14,135	20,227	32,888
Pens, fountain & stylographic & pen points	42.3	14.2	7.9	1,870	656	342	4,430	4,600	4,343
Perfumes, cosmetics, etc.	40.8	46.5	33.8	2,203	6,106	3,430	5,405	13,109	10,158
Photo-engraving, not in printing plants	32.9	23.0	26.2	2,225	2,841	3,240	6,769	12,353	12,364
Planing-mill products	3.4	3.4	2.5	2,923	3,067	1,692	86,956	90,134	66,814
Plumbers' supplies	2.5	1.6	2.0	345	444	504	13,592	27,960	25,240
Printing & publishing	15.2	13.6	12.4	36,968	38,097	34,294	244,688	281,119	276,363
Roofing, asphalt shingles, etc.	1.6	1.6	0.2*	143	96	15*	8,871	6,027	6,478*
Rubber goods, except tires, boots & shoes	10.3	9.0	5.2	2,472	3,605	2,488	23,889	40,226	43,172
Sausage, meat puddings, headcheese, etc.	9.4	4.7	4.5	325	277	463	3,471	5,897	10,217
Sheet-metal work	8.6	8.2	5.6	2,385	2,351	1,274	27,640	28,593	22,973
Silk & rayon manufactures	5.4	2.6	2.6*	6,818	3,374	3,271*	126,782	130,467	125,908*
Stamped & pressed metal products	13.3	7.4	5.7	4,696	2,950	3,470	35,437	40,000	61,092
Steam & other packing, gaskets, etc.	2.5	2.0	2.2	156	148	132	6,147	7,266	5,934
Stereotyping & electrotyping	24.6	19.5	24.0	901	1,267	1,145	3,664	6,487	4,766
Toys, games & playground equipment	22.2	19.8	20.2	3,147	3,303	3,545	14,201	16,660	17,547
Umbrellas, parasols and canes	27.0	28.5	24.5	911	816	756	3,368	2,855	3,088
Wirework, not elsewhere classified	9.2	7.1	5.5	1,401	1,598	1,833	15,224	22,388	33,471
Women's, misses' & children's apparel	53.5	49.5	42.2	125,774	116,241	118,575	234,914	233,370	280,824
Wood, turned & shaped	2.4	1.4	1.4	411	307	320	17,092	21,499	23,087
Total (above 57 industries)	12.8	10.0	8.8$	425,168	376,348	346,317$	3,528,833	3,766,980	3,957,046$

*Data are for 1935, since part or all of this classification was not given separately for 1937 for New York City.

$Total is correct for 1937, even though it was necessary to show 1935 data for a few of the individual industries.

On the whole, employment in these 80 industries in New York declined from 496,750 in 1919 to 402,869 in 1937, while in the same industries in the United States outside of New York the number of wage earners rose from 3,783,830 in 1919 to 4,142,171 in 1937. Thus New York City lost 93,881 during the 1919 to 1937 period while the rest of the United States gained 358,341 wage earners in the same industries in the same period. Evidently this indicates an exodus of industry away from New York City.

The clothing industry in New York City is now in a state of flux. On the one hand it can easily move away because so many of the establishments are small and because most of the quarters are rented. On the other hand it is held to New York by the necessity of being close to the centers where fashions are made. If New York succeeds Paris as a fashion center of the world these centripetal forces holding the clothing industry to Manhattan may become even more important. Therefore recent trends in industrial employment are extremely important and should be watched closely.

In our study of decentralization within New York City, the position of Manhattan with respect to the other Boroughs also has great significance.

While New York City as a whole has thus lost ground in many manufacturing lines during the past decade; within New York City itself Manhattan has lost industries to the other Boroughs. The industries in areas in Manhattan south of 14th Street have declined so heavily in recent decades that only a fraction of the former volume of business remains there. This movement can be analyzed in detail for each important industry.

WOMEN'S WEAR Producing 75 percent of the nation's total output, manufacturers of women's wear in New York are still growing if measured by the number of employees. A rapid rise in employment in this industry from 1937 to 1940 is indicated by the sample of the New York State Department of Labor. The number of units produced in the dress trade in New York increased 8 percent from 1929 to

1937 but the wholesale value of these goods declined 50 percent at the same time.

Table - Number of Units of Women's Dress Goods,
New York 1929-1937

Year	Quantity	Wholesale Values	Unit Price
1929	162,836,861	$ 823,271,414	5.06
1931	167,192,410	618,161,953	3.70
1933	145,238,006	376,480,233	2.59
1935	172,246,889	477,516,102	2.77
1937	175,749,607	434,706,726	2.47

New York has long been the fashion center of America, for the United States turns to Chief Metropolis as "the logical index market for styles and fashions". Any changes in styles and they are numerous - are first felt in New York.

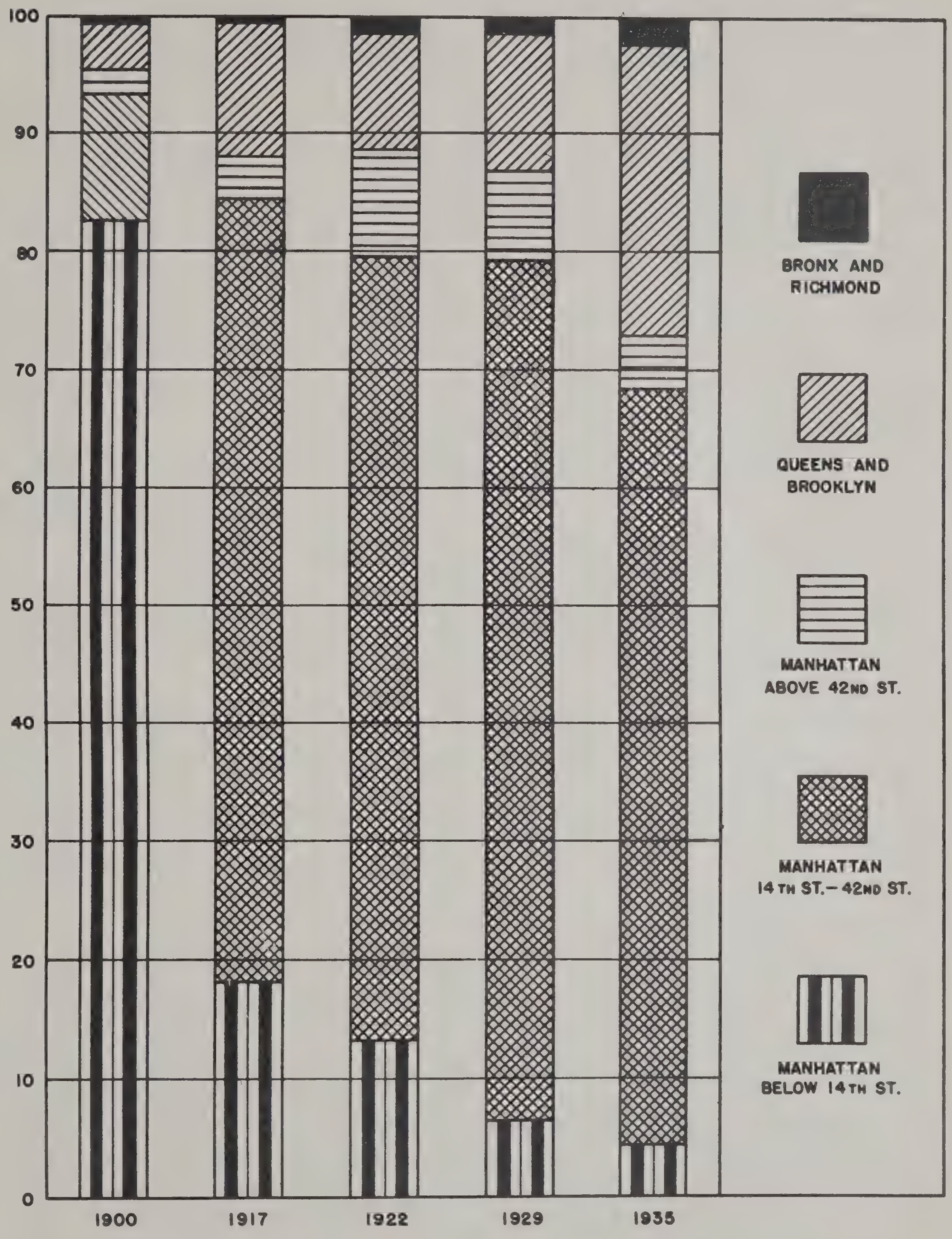
The element of change due to the importance of the style factor necessitates a flexible form of organization in the industry. In both the women's garment and the men's clothing industries this need for flexibility has resulted in the jobber-contractor system. Under this arrangement the jobber buys the raw materials, determines designs and sometimes suggests the designs. This system has resulted in a large number of small shops and generally chaotic conditions within the industry.

The contractor's relationships with the wholesaler-jobber are determined by the union, who determine how many and what wholesalers he shall do business with. High union wage rates in addition to union control of the sources of work-like wholesalers - have driven many contractors out of New York.

Notwithstanding the reasons for centralization of the women's wear industries - namely, close proximity to style centers and to a central location when the labor force can easily be expanded or contracted - the percentage of total New York City employees in these industries working in Manhattan declined from 95.2 percent in 1900 to 73.4 percent in 1935. And of course in the same interval the percentage of employees working in Queens and Brooklyn increased from

WOMEN'S WEAR

COMPARISON OF DISTRICTS BY PER CENT OF TOTAL EMPLOYEES



SOURCE:
REPORT OF MAYOR'S COMMITTEE
ON CITY PLANNING

INSTITUTE OF PUBLIC ADMINISTRATION
NEW YORK CITY

4.2 to 24.5. Meanwhile the percentage of employees in Women's wear working in Manhattan south of 14th Street declined from 82.5 percent in 1900 to 4.2 percent in 1935.

MEN'S WEAR. New York has been the leading center of production of men's wear for many years. The most important branch of the industry is the manufacture of men's clothing (men's and boy's suits and overcoats) which employs over half of all the workers in the industry in New York. [illegible]bout 40 percent of the value of the product for the whole country is prod[illegible] here and about 25 percent of all the men's clothing workers are in New York. Other branches of the industry include the making of shirts, hats and caps and miscellaneous furnishings.

Men's wear has shown a stronger tendency to move to the outer areas than has the women's garment industry. In 1900 85.6 percent of the employees in Men's clothing in New York worked in Manhattan. By 1935 this had declined to 61.4 percent. In the same period the percentage of the total number of employees working in Manhattan south of 14th Street declined from 79.5 to 37.7. In the same time, the percentage of the employees in men's clothing working in Brooklyn and Queens increased from 14.4 to 38.5.

KNIT GOODS. The proportion of New York City employees in Knit Goods working in Manhattan south of 59th Street declined from 44.1 percent in 1900 to 16.7 percent in 1917 and after recovering to 26.8 percent in 1929 declined again to 22.9 percent in 1935. The proportion of employees working in Brooklyn increased from 37.8 percent in 1900 to 69.3 percent in 1917, and after declining to 41.6 percent in 1929 increased to 49.4 percent in 1935. Meanwhile the percentage of employment in Queens rose from practically nothing in 1900 to 9.1 percent in 1917 and 21.2 percent in 1935. The relative importance of knit goods in textiles as a whole is indicated by its rise from 7.8 percent of the total

employees in textiles in 1900 to 29.9 percent in 1917, 41.5 percent in 1922 and back to 20.2 percent in 1935.

PRINTING INDUSTRY. In a monograph just published, entitled "Trends in the Printing Industry, the author Mr L.A. Drake points out that the printing industry has been declining in New York City for a period of about twenty years. Around the year 1900, New York City did about 25 percent of the nation's printing. By 1925, it was 20 percent and by 1939, it stood at about 17 percent. This downward trend apparently is continuing.

In his conclusions Mr. Drake makes the following comments: "Large commercial printing plants have disappeared almost completely from New York. Of the twelve largest plants found in the entire period from 1922 to 1940, not one remains in New York today. The initial factor in the departure of printing from New York was the improvement of transportation and communication facilities. The wide cost differential between New York and out-of-town printing invited the removal. This differential was of long standing but only with the improvement of transportation and communication was it feasible to take advantage of the lower out-of-town costs. Labor cost has been the most important factor. It ranges from 30 to 60 percent of printing costs in different fields. Rent, taxes, and storage are lower, but still important costs that put New York at a disadvantage. The labor cost differential is caused partly by higher wage rates and partly by rigid union regulations that add materially to labor costs. A reduction in the cost differentials, particularly labor costs, might well result in a reversal of this decentralization of commercial printing. Most New York printing union leaders and a number of international officers today recognize this key problem. It remains to be seen whether or not it is unsolvable."

INDUSTRIAL EMPLOYMENT CHANGES IN MANHATTAN COMPARED WITH THE OTHER BOROUGHS

From 1919 to 1937, the proportion of industrial employees of New York City and Westchester County working in Manhattan has remained fairly constant, being 58 percent in 1919, 55.7 percent in 1929 and 55 percent in 1937.

Number and Percentage of Industrial Wage Earners in New York City and Westchester County working in Manhattan, 1919, 1929 & 1937 (1)

	Total Number in New York City and Westchester County	Total Number in Manhattan	Percentage of workers Manhattan to Total
1919	666,763	386,907	58.0
1929	589,385	328,230	55.7
1937	528,848	291,281	55.0

(1) U.S. Census of Manufactures, 1919, 1929 and 1937

There was a slight decline in the proportion of industrial employees in the New York Northern New Jersey industrial area working in Manhattan from 1929 to 1937, the percentage dropping from 35.8 percent in 1929 to 34.3 percent in 1937.

While Manhattan is holding its share of a declining number of jobs in the total area, the fact still remains that there was an absolute decline of 95,726 industrial wage jobs in Manhattan between 1919 and 1937. This waning ability of manufacturing to absorb labor on the Island augurs ill for any possibility of increasing its self-supporting, tax-paying population.

DECENTRALIZATION OF INDUSTRY CAUSED BY NATIONAL DEFENSE

Industrial decentralization in New York City may be accelerated by the government's policy of locating new war industry plants in the middle west from Columbus, Cincinnati, St. Louis, and Kansas City, to Wichita. This general region will be the farthest removed from bombing attacks launched either from the Atlantic or Pacific Oceans or Canada or Mexico. It is pointed out that bombing planes can now cross the Atlantic, drop a load of bombs and return without refueling.

In view of the magnitude of the defense program, now in its infancy, when it reaches full tide by 1942, the addition of workers in these areas will be considerable. It is calculated that the defense program, for which 16 billion dollars has already been appropriated, will disburse $9,860,000,000 in wages and will employ 4,600,000 additional men for one year. This work will be spread out over a period of from one year in the case of cantonment construction to four years in the case of building the two ocean navy. In the peak year of 1942, it is possible the added employment will reach 3,000,000 men.

The important long run effect of this program on industrial plants in the New York region is not this temporary burst of defense activity which may subside in a few years unless there is a war. The effect of building new machine tool plants in the middle west which can be converted into normal uses, however, and which will be available at low cost after the defense program because of government subsidies, will be to accelerate the obsolescence of existing industrial plants with old machinery.

If, moreover, our economy which has been oriented towards Europe through the port and financial center of New York is re-oriented towards the center by a policy of national defense and internal self-sufficiency, then the middle west may pull trade and finance as well as industry to itself.

This trend toward the middle west may be halted by many contingencies growing out of the present world war, but this is certainly a possibility that should be taken into account in forecasting the future of industry in New York City.

MANUFACTURING IN NEW YORK CITY 1927-1937
IN ITS RELATION TO TOTAL U. S. MANUFACTURING OUTPUT

(From U.S. Census of Mfrs. Reports)

	United States	New York City	New York's Percentage of Total
1927			
Value of Products	$62,278,116,181	$5,722,071,258	9.2
Number of Establishments	190,938	27,062	14.
Average Number of Wage Earners	8,334,184	552,507	6.6
1929			
Value of Products	$69,960,902,712	$5,985,738,672	8.6
Number of Establishments	209,862	29,478	14.
Average Number of Wage Earners	8,821,757	563,415	6.4
1931			
Value of Products	$41,038,402,307	$4,213,344,911	10.
Number of Establishments	174,255	26,257	15.
Average Number of Wage Earners	6,506,701	455,687	7.
1933			
Value of Products	$31,214,303,965	$2,862,927,956	9.2
Number of Establishments	140,584	19,276	13.7
Average Number of Wage Earners	5,989,709	391,882	6.5
1935			
Value of Products	$45,759,763,062	$3,668,173,434	8.
Number of Establishments	169,111	26,094	15.4
Average Number of Wage Earners	7,378,845	485,517	6.5
1937			
Value of Products	$60,712,871,737	$3,962,292,660	6.5
Number of Establishments	166,794	22,235	13.3
Average Number of Wage Earners	8,569,231	506,208	5.9

PERCENT CHANGE 1927-1937

	U.S.	N.Y.C.
Value of Products	-2.5	-30.0
Number of Establishments	-12.6	-17.9
Average Number of Wage Earners	+ 2.8	- 8.4

Percentages Producers' and Consumers' Goods of Value Added by Manufacture in the First Twenty Industries in Each City

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P - Producers' Goods

C - Consumers' Goods

	1919		1921		1923		1925		1927	
	P -	C	P -	C	P -	C	P -	C	P -	C
	Percent of Total		Percent of Total		Percent of Total		Percent of Total		Percent of Total	
New York City	15	85	15	85			13	87	13	87
Chicago	44	56	42	58			51	49	52	48
Philadelphia	40	60	32	68			35	65	33	67
Detroit	67	33	59	41	67	33	63	37	60	40
Cleveland	73	27	63	37	70	30	73	27	73	27
St.Louis	34	66	41	59			37	63	36	64
Boston	36	64	33	67			28	72	29	71
Pittsburgh	71	29	52	48	64	36	61	39	59	41
Baltimore	39	61	33	67			30	70	30	70
Buffalo	55	45	59	41			67	33	67	33
Los Angeles	52	48	39	61			38	62	35	65
San Francisco	51	49	42	58			43	57	41	59
Cincinnati	42	58	35	65			47	53	51	49
Newark	62	38	53	47			62	38	59	41

CONSUMERS' GOODS CITIES 1927

Percent Consumers' Goods

New York	87
Boston	71
Baltimore	70
Philadelphia	67
Los Angeles	65
St.Louis	64
San Francisco	59

PRODUCERS' GOODS CITIES

Percent Producers' Goods 1927

Cleveland	73
Buffalo	67
Detroit	60
Pittsburgh	59
Newark	59
Chicago	52
Cincinnati	51

THE ECONOMIC BACKGROUND OF NEW YORK CITY

THE BASIC SOURCES OF EMPLOYMENT AND TAXPAYING ABILITY

2. RETAIL TRADE

RETAIL TRADE

New York City, with 5.7 percent of the nation's population, transacted approximately 9 percent of the retail trade of the United States in 1929 but this proportion of the national total dropped to 7.6 percent in 1939. In the entire metropolitan area of New York, with a population of 10,921,217 in 1930, the retail sales in 1935 amounted to one-eighth of the aggregate for the nation. New York City, by virtue of its great wealth and population and the power of its stores and shops to attract buyers from outside its area, is the greatest retail market in the United States. This retail trade supported 323,590 persons in 1935, of whom 193,798 were employed in Manhattan. The aggregate retail sales in New York City was increased 13 percent from 1935 to 1939, but in 1939 they were still 24 percent below the peak level of 1929.

Manhattan, with only one-quarter of the residential population of New York City and 36 percent of its stores did half of the total retail business of the city in 1933, 1935 and 1939.

Retail Trade
in
United States and New York City
Compared 1929 to 1939
(Value in thousands of dollars)

	United States	New York City	Proportion of New York to total
1929	$49,114,653	$4,402,876	9.0
1933	25,037,225	2,245,801	9.0
1935	33,161,276	2,847,332	8.6
1939	42,028,818	3,191,833	7.6

The department store sales in New York City have reached a higher volume in prosperity and declined less in the last depression than the department sales of the United States as a whole.

Thus whereas department store sales for the United States rose to an index number of 105 in 1929 from the base of 100 for the 1925 to 1927 average, in Manhattan and Brooklyn the 1929 peak was 108. The subsequent low point was 63.8 for the United States and 78.4 for the two New York boroughs. In 1937 and 1938 the figure was 87.4 and 80.7 respectively for the United States and 90.0 and 83.9 for Manhattan and Brooklyn. In 1939 the figure for the two New York boroughs was

84.3 compared with 85.4 for the United States but aside from this last year, the department stores in New York more than held their share of the National total.

Index Numbers of Value of Sales by
Department Stores 1925 - 1927 = 100

	United States	Manhattan & Brooklyn
1925	97.8	97.2
1926	100.6	100.7
1927	101.6	102.2
1928	100.2	103.2
1929	105.4	108.1
1930	96.8	106.4
1931	87.3	98.3
1932	65.5	77.8
1933	63.8	73.5
1934	72.1	78.4
1935	75.1	79.4
1936	83.6	86.7
1937	87.4	90.1
1938	80.7	83.9
1939	85.4	84.3

While department store sales in New York City thus gained more than the sales for the United States as a whole between 1929 and 1939, Manhattan held its own in its proportionate share of the total department store sales in the New York Federal Reserve District. Manhattan and Brooklyn department store sales increased slightly from 60.7 per cent of the total volume of sales in the New York Federal Reserve District in 1929, to 61.5 percent of the total volume of sales in 1938.

While the dollar volume of department store sales in Manhattan declined 20 percent from 1929 to 1939, if allowance be made for a decline of 20 percent in retail prices between 1929 and 1938, the physical volume of goods sold in Manhattan in 1938 was approximately equal to that sold in 1929. From 1921 to 1930, the volume of retail sales in Manhattan and Brooklyn increased 37 percent while sales in the New York Federal Reserve District outside Manhattan and Brooklyn gained only 21 percent. Allowing for differences in unit prices, it is

estimated that there was a 27.2 percent increase in the volume of Manhattan department sales from 1922 to 1938 compared with an increase of population of 24 percent in New York City in the same period. (1)

Thus there has been no loss of department store sales in Manhattan and Brooklyn to the stores in the Federal Reserve District of New York (2) outside Manhattan. A comparison with Chicago Loop department stores indicates a striking difference in the degree of decentralization. While the employment at Macy's in Manhattan - the largest store - has maintained the peak level of over 10,000 since 1929 and the sales of four leading department stores in Manhattan declined in the aggregate dollar value from 150 million dollars in 1929 to 135 million dollars in 1939, sales of Chicago Loop department stores declined sharply. The sales of three central department stores in Chicago fell from 202 million dollars in 1930 to 118 million dollars in 1939. On the other hand the sales of Goldblatt Brothers and Wieboldt, all of whose stores are outside the central business district almost doubled, increasing from 38 million dollars in 1930 to 72 million dollars in 1939.

Adjustments for a 20 percent decline in unit prices from 1929 to 1938 would indicate that New York City central department stores had suffered no loss in physical volume of goods sold while the Chicago central department stores still lost heavily in the physical volume of goods sold in the same period.

This lack of decentralization in Manhattan may be attributed to two main factors; first, the subway system with its cheap five cent fare, the commuting railroads leading to Grand Central, Pennsylvania station and Hudson terminal, the new express highways, bridges and tunnels, which make access to the central retail area quick and cheap; and second, the close proximity of high

(1) Based on a survey by R. H. Macy & Company.

(2) Consisting of Northern New Jersey, New York City, Westchester County and Western Connecticut.

grade residential areas near Fifth Avenue, West End Avenue, Central Park West, etc., in Manhattan, which still supply a heavy buying power within walking distance.

New York's super transportation system has prevented the development of many high-powered outlying business centers, for it is easy for most shoppers to take a subway or train to the Fifth Avenue shops where the best possible selection of merchandise is available, and where theatres, restaurants, and night clubs are close at hand. The close proximity of hotels also brings a large volume of transient trade, while a considerable proportion of the middle and upper economic classes who dwell in apartments are also concentrated near the best shops and stores.

The following table shows declines in dollar volume of sales in New York department stores from 1929 to 1939. If adjustments were made for a 20 percent decline in unit prices from 1929 to 1938, there would be gains in physical volume of goods sold in most cases.

Dollar volume of sales in leading New York
Department stores (millions of dollars)

Year*	R.H. Macy	Best & Co.	Russek's Fifth Ave.	Franklin Simon & Co.	Arnold Constable	Bloomingdale Bros.
1919	35.8					
1920	44.5					
1921	46.7					
1922	49.6					
1923	51.2					
1924	56.4					
1925	66.5					
1926	75.5					
1927	82.2				13.5	23.9
1928	90.3				13.2	23.9
1929	98.7	14.6			12.2	24.4
1930	99.1	15.1	4.6		11.9	22.2
1931	96.8	13.8	4.2		9.1	22.2
1932	80.5	11.1	3.5		6.3	19.2
1933	76.2	11.2	3.3	10.0	6.2	19.9
1934	78.7	12.5	3.6	10.2	6.4	21.8
1935	78.8	13.3	4.3	10.1	6.8	22.1
1936	87.2	14.9	5.7	9.8	7.8	24.8
1937	90.9	16.2	5.9	8.7	7.9	25.4
1938	82.8	15.2	4.8	7.7	8.6	24.6
1939	85.0	15.6	5.2	8.0	9.2	25.5

* Year ending about Feb. 1st following year.

SALES OF CHICAGO DEPARTMENT STORES
(in millions of dollars)

LOOP STORES

	Marshall Field	Fair	Mandel Bros.	Total
1928	169.6			
1929	179.7			
1930	150.7	26.2	24.8	201.7
1931	114.3	21.8	19.6	
1932	78.3	15.9	14.8	
1933	88.5	16.6	14.8	
1934	100.8	17.8	15.5	
1935	108.9	17.1	16.2	
1936	104.2	18.3	18.7	
1937	97.6	18.3	19.4	
1938	79.6	15.9	17.8	
1939	84.0	15.5	18.1	117.6

OUTLYING CHICAGO DEPARTMENT STORES

	Goldblatt Bros.	Wieboldt	Total
1929	15.2		
1930	17.1	21.3	
1931	18.0	21.3	
1932	21.1	17.4	
1933	28.5	17.9	
1934	32.0	19.5	
1935	-	20.0	
1936	44.7	23.3	
1937	49.8	26.6	
1938	45.3	23.0	
1939	48.0	24.4	

Average weekly number of employees in R.H. Macy's 34 St Store Department Store, 1920 to 1939

Year*	Number of employees
1920	5,342
1921	5,629
1922	5,980
1923	6,330
1924	6,986
1925	7,733
1926	8,289
1927	8,784
1928	9,416
1929	10,509
1930	10,378
1931	10,372
1932	9,650
1933	10,378
1934	10,670
1935	10,691
1936	11,016
1937	11,160
1938	10,503
1939	10,409

* For year ending Jan. 31 following year given.

Where there has been no decentralization in the case of the middle class or lower income trade which comes to the Manhattan department stores on a 5 cent subway fare, there has been some decentralization in department stores dealing with the upper middle and wealthy income groups. Many families in the higher income groups have moved to suburban towns beyond the subways. Consequently department stores with this clientele have opened up branches in suburban towns. Thus, in White Plains there are branches of Altman's, McCutcheon's and Peck & Peck. In East Orange there are branches of Best, Altman, Peck & Peck and Franklin Simon. In Hempstead there are branches of Best, Loeser and Arnold Constable. Arnold Constable has a branch in New Rochelle, Best has another branch in Mamaroneck. Families in the upper income class living in these suburban towns find it more convenient to shop in the suburbs and they do not look forward to a day spent in shopping on Fifth Avenue as a holiday. The families in the lower income group on the other hand enjoy taking a day off for shopping in the department stores and as many of this income group live in apartments on subway lines they find it easy to reach the large Manhattan stores. The Pennsylvania Railroad Station has a focus of commuting railroad lines and the Grand Central Station likewise contributes to the stability of the shopping area between these stations. The raising of the 5 cent subway fare to 10 cents would have a powerful decentralizing trend and would particularly affect the department stores dealing with the lower income groups. Hence the subsidy paid in taxes by Manhattan department stores to maintain the five cent subway fare may be a good investment.

Still the larger department stores in Manhattan are apparently increasing their volume of business as rapidly as some of the suburban branches. Thus the department stores in Manhattan and Brooklyn increased their sales by 9 percent between October 1939 and October 1940, while the department stores in Westchester County and Stamford increased their sales by 8.6 percent in the same

period. Moreover the department stores in Manhattan alone account for 70 percent of the department store merchandise sold in the five boroughs, Westchester County and Nassau County combined.

While the central department stores, particularly those catering to the lower and middle income groups are holding their own in competition with outlying department stores, thanks to the five cent subways, there has probably been a higher degree of decentralization in other branches of the retail trades. The rise of chain merchandising stores, such as 5 and 10 cent stores, Sears Roebuck and Montgomery Ward has reduced the proportionate volume of total retail business going to the central areas because formerly there were few, if any stores of this class in outlying neighborhoods while now there are many of these retail outlets in the suburbs.

COMPARISON OF SALES OF DEPARTMENT STORES
IN MANHATTAN, AND THE N.Y. FEDERAL RESERVE
DISTRICT LESS MANHATTAN

(1921 - 1930)

	DEPARTMENT STORE SALES			
	(000) DOLLARS		1921 = 100	
	Manhattan	District less Man.	Manhattan	District less Man.
1921	200,550	144,450	100.0	100.0
1922	204,550	148,450	102.0	102.6
1923	220,913	160,087	110.1	110.6
1924	229,468	163,532	114.4	113.1
1925	246,601	169,934	122.9	117.6
1926	256,877	175,328	128.1	121.4
1927	261,106	178,466	130.2	123.5
1928	265,098	179,744	132.2	124.5
1929	280,453	181,256	139.9	125.4
1930	274,529	176,084	137.0	121.7

COMPARISON OF SALES OF DEPARTMENT STORES IN MANHATTAN, AND THE N.Y. FEDERAL RESERVE DISTRICT LESS MANHATTAN

(1929 to 1938)

DEPARTMENT STORE SALES

	THOUSANDS OF DOLLARS		1929 = 100	
	Manhattan	District less Manhattan	Manhattan	District less Manhattan
1929	280,453	181,256	100.0	100.0
1930	274,529	176,084	97.8	97.1
1931	254,580	159,903	90.7	88.2
1932	201,885	125,679	72.0	69.3
1933	190,434	116,670	67.8	64.3
1934	202,874	124,502	72.3	68.7
1935	205,421	127,559	73.2	70.4
1936	224,434	140,608	80.0	77.5
1937	233,104	145,874	83.1	80.4
1938	217,160	136,201	77.4	75.1

Indexes of Net Sales of the Manhattan and Brooklyn Reporting Department Stores

Average monthly sales 1925-'26-'27 = 100 percent

(Without seasonal adjustment)

YEAR	JAN.	FEB.	MAR.	APR.	MAY	JUNE	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.	AVER.
1925	85.6	76.1	86.4	94.9	92.4	90.6	62.1	61.8	90.8	134.2	116.6	174.3	97.2
1926	88.0	78.1	92.7	95.0	96.2	95.9	64.4	68.5	96.7	127.9	123.8	180.7	100.7
1927	91.9	78.0	92.9	101.1	92.7	101.4	62.7	74.3	97.9	121.3	127.3	184.5	102.2
1928	87.8	81.8	94.5	93.9	99.4	103.1	65.2	67.1	102.1	126.7	127.4	190.0	103.2
1929	92.9	82.6	101.0	101.9	103.5	105.5	69.4	72.1	109.8	138.4	129.2	191.0	108.1
1930	98.4	84.0	97.6	112.4	111.5	101.7	67.9	68.1	106.4	131.4	120.2	177.6	106.4
1931	90.0	79.8	97.5	103.5	94.7	102.6	64.2	59.7	94.1	119.6	109.2	164.6	98.3
1932	73.1	66.8	79.4	80.9	73.4	76.7	45.2	50.8	77.6	93.3	88.6	128.2	77.8
1933	56.0	53.8	63.9	73.2	72.3	73.2	44.6	54.7	76.1	91.6	87.6	135.0	73.5
1934	63.4	57.4	83.4	73.7	77.2	75.4	45.0	54.9	74.7	100.2	93.9	141.8	78.4
1935	63.2	57.2	70.8	78.3	74.8	75.5	50.2	55.1	83.3	99.1	98.2	147.6	79.4
1936	69.5	63.2	76.2	83.1	81.1	85.3	58.6	55.0	89.0	110.5	105.4	163.3	86.7
1937	73.0	66.8	87.7	87.1	87.4	90.4	58.6	59.0	93.8	108.7	105.7	162.6	90.1
1938	70.8	63.9	77.3	86.9	75.4	82.2	51.0	54.4	88.1	97.7	99.7	158.9	83.9
1939	63.4	60.2	79.5	80.1	79.9	83.7	50.6	57.0	93.2	100.1	106.7	156.2	84.3
1940	71.7	60.8	78.8	77.7	78.8	81.7	54.2	64.4	96.1	108.8	112.7	164.3	87.4

Indexes of Net Sales of All Reporting Department Stores in the New York Federal Reserve District (1) (Excluding Apparel Stores)

Average monthly sales 1925 to 1927 = 100 percent

(Without seasonal adjustment)

YEAR	JAN.	FEB.	MAR.	APR.	MAY	JUNE	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.	AVER.
1925	84.0	75.0	85.6	95.6	92.2	92.6	66.4	64.8	90.0	130.3	113.9	174.4	97.0
1926	87.2	76.8	91.3	95.3	97.4	96.4	69.8	71.1	95.9	124.3	120.5	181.7	100.6
1927	89.6	78.0	91.8	103.1	93.6	101.1	67.5	76.9	97.8	118.5	124.7	185.6	102.4
1928	86.7	81.4	93.8	94.9	100.1	103.4	69.7	71.0	101.7	124.4	124.7	191.2	103.6
1929	91.0	82.9	101.8	101.2	104.4	106.1	72.8	75.4	107.1	133.1	125.1	189.2	107.5
1930	93.8	82.7	95.4	111.3	110.1	101.1	70.4	70.0	104.2	126.1	116.3	177.8	104.9
1931	86.6	77.9	94.5	103.0	93.5	101.8	65.7	61.4	91.6	114.7	104.6	163.0	96.5
1932	70.6	65.9	76.7	80.3	72.6	75.7	46.1	51.6	75.4	88.9	85.2	126.2	76.3
1933	53.2	51.8	60.6	72.4	71.2	71.7	45.3	56.0	73.8	87.2	83.4	131.6	71.5
1934	59.9	55.0	80.0	72.3	76.2	74.4	45.6	56.0	72.2	94.5	89.0	139.7	76.2
1935	59.9	55.3	69.1	76.7	73.6	75.5	49.9	55.8	80.0	94.1	94.7	145.7	77.5
1936	65.5	61.4	74.2	81.6	80.3	83.5	58.4	57.1	86.6	106.8	101.7	162.9	85.0
1937	70.2	65.8	85.6	85.4	86.7	89.1	59.4	60.4	90.9	105.3	101.6	160.7	88.4
1938	67.8	62.7	75.3	85.2	74.2	80.3	51.3	56.2	85.8	95.0	96.9	159.0	82.4
1939	62.0	59.4	78.7	80.2	80.3	82.6	51.8	59.1	90.8	96.8	105.3	160.4	84.1
1940	70.4	60.8	79.1	78.9	80.8	82.9	56.1	67.8	95.1	107.1	112.3	168.4	88.3

Source Federal Reserve Bank of New York

(1) Includes all New York State, Northern New Jersey and Western Connecticut.

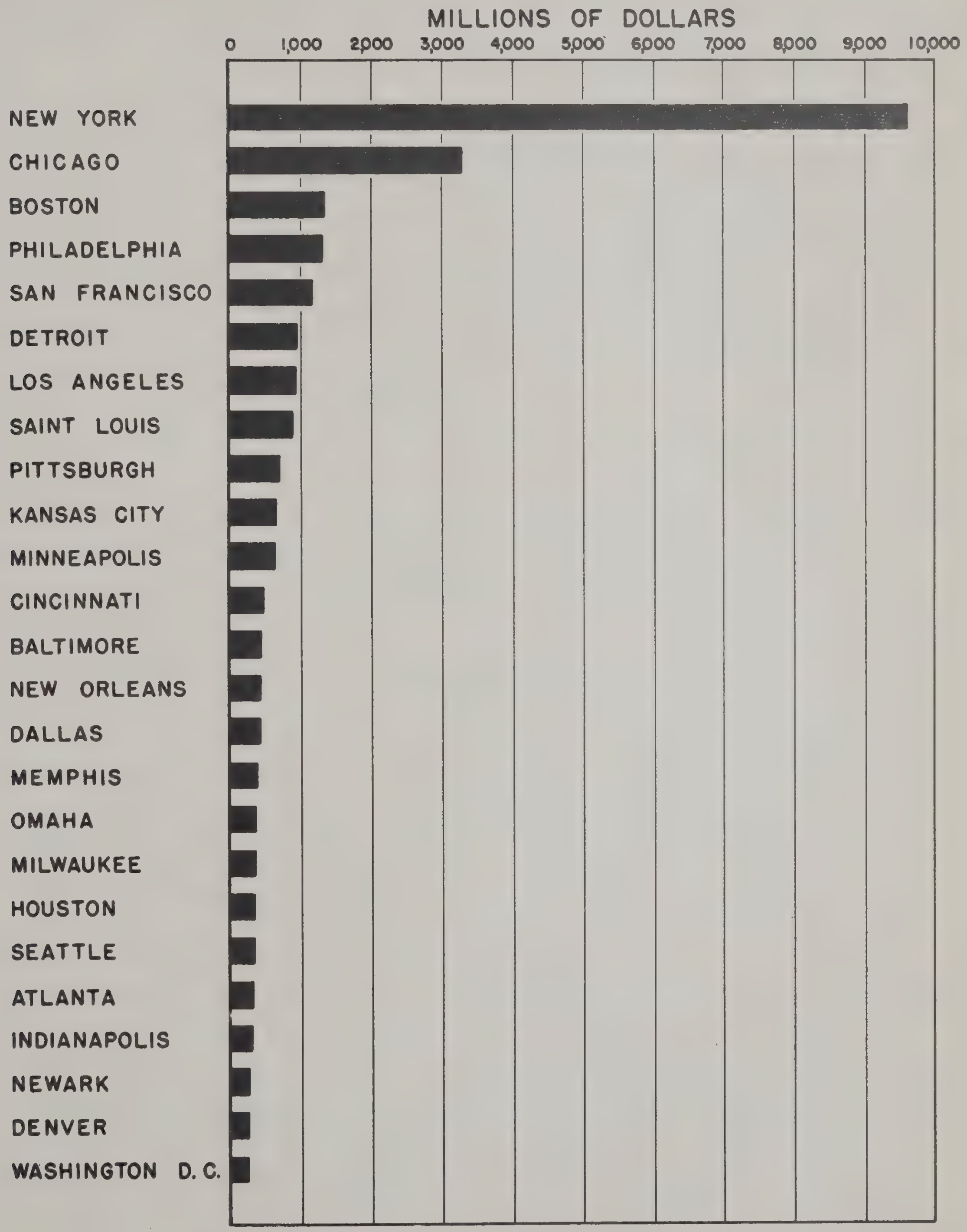
THE ECONOMIC BACKGROUND OF NEW YORK CITY

THE BASIC SOURCES OF EMPLOYMENT AND TAXPAYING ABILITY

3. WHOLESALE TRADE

VALUE OF WHOLESALE TRADE REPORTED BY NET SALES FOR 25 SELECTED CITIES

1935



WHOLESALE TRADE

New York City is the outstanding wholesale market in the United States with a volume of sales of $15,305,000,000 in 1929, $9,600,000,000 in 1935 and $12,954,000,000 in 1939. New York has three times as much wholesale business as its nearest rival, Chicago. The value of its wholesale trade was 22.6 percent of the national total in 1929, 21.5 percent of the country's total in 1935, and it increased to 23.5 percent in 1939. New York City gave employment to 222,257 persons in the wholesale trade in 1929, of whom 198,442 worked in Manhattan. The number working in the entire city had declined to 154,714 in 1933, but it increased to 199,318 by 1935 and to 241,405 by 1939. Of this total of 241,405 employees in the wholesale trade in New York City in 1939, 203,427 or 85 percent were in Manhattan. Consequently, wholesale trade in New York City is one of the most important bases of the City's support.

The dominating position of New York is due to the fact that it controls a trade area which extends to Canada on the north, to the Dakotas, Nebraska and Kansas on the west and to the southern limits of Missouri, Kentucky and Virginia on the south. This great block of territory in the Northeastern United States represents only a third of the land area of the United States, but it contains 67 percent of our population and produces 75 percent of our national income. In this area 92 percent of industrial wage earners are employed and in it are produced 88 percent of all high grade iron ore and 88 percent of all bituminous coal. In this extraordinary trade area 74 percent of the corn crop, 70 percent of the hogs and 60 percent of wheat crop are produced.

The wholesale trade of New York City is thus bound up with the fortunes of the richest third of the United States. While the volume of wholesale business in New York declined from the $15,305,000,000 of 1929 to $7,376,000,000 in 1933, New York still maintained its proportionate share of the nation's wholesale business. The available data do not as yet indicate that New York is losing ground to other cities. However, the rapid growth in the last decade of Florida, Texas and California may lead to a shift of wealth and industry in the United States

from the northeast to the south and west. However, New York may still be the dominant capital of trade centers in Florida and Texas because of the speeding up of the means of transportation by rail and aeroplane.

Of all the wholesale trade in New York City, from 92 percent to 93 percent is conducted in Manhattan and there is no evidence to the effect that this central area is losing business to the other boroughs.

The future possibilities of wholesale trade in New York City thus depend upon national and international trends. If New York City becomes the world's capital of fashion, New York may gain further prestige as a wholesale market. On the other hand, it is possible that its position may be impaired by the growth of rival markets in the middle west or Pacific Coast.

WHOLESALE TRADE OF THE UNITED STATES, NEW YORK CITY, AND MANHATTAN 1929 to 1939

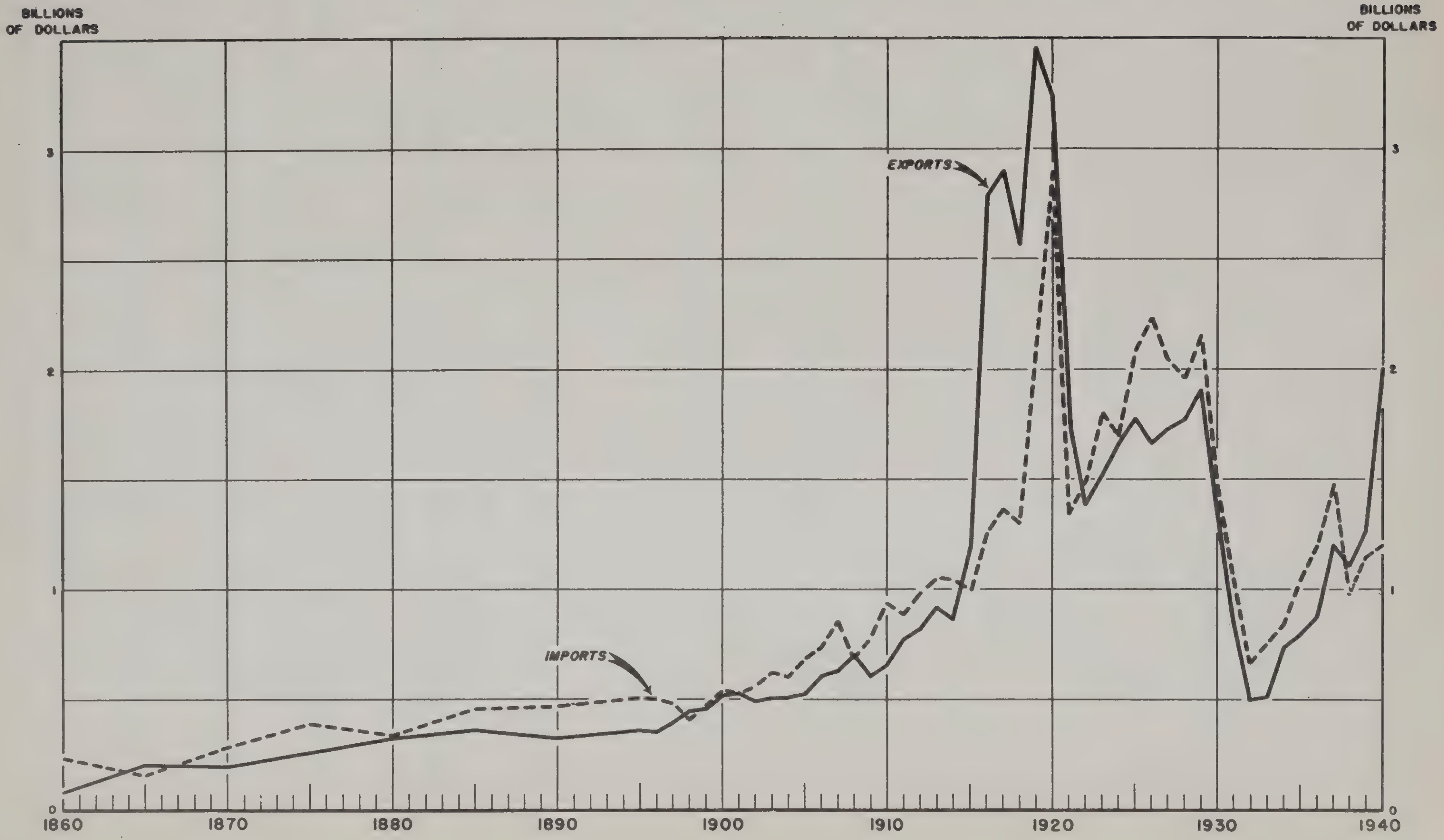
	United States	New York City	Manhattan
1939	$55,112,468,000	$12,954,252,000	$11,883,147,000
1935	42,802,913,000	9,617,910,000	8,811,283,000
1933	32,151,373,000	7,376,091,000	6,811,486,000
1929	66,983,024,000	15,305,046,000	14,373,894,000

THE ECONOMIC BACKGROUND OF NEW YORK CITY

THE BASIC SOURCES OF EMPLOYMENT AND TAXPAYING ABILITY

4. FOREIGN TRADE - THE PORT

VALUE OF IMPORTS AND EXPORTS
NEW YORK CITY 1860-1940



Foreign Trade - the Port of New York

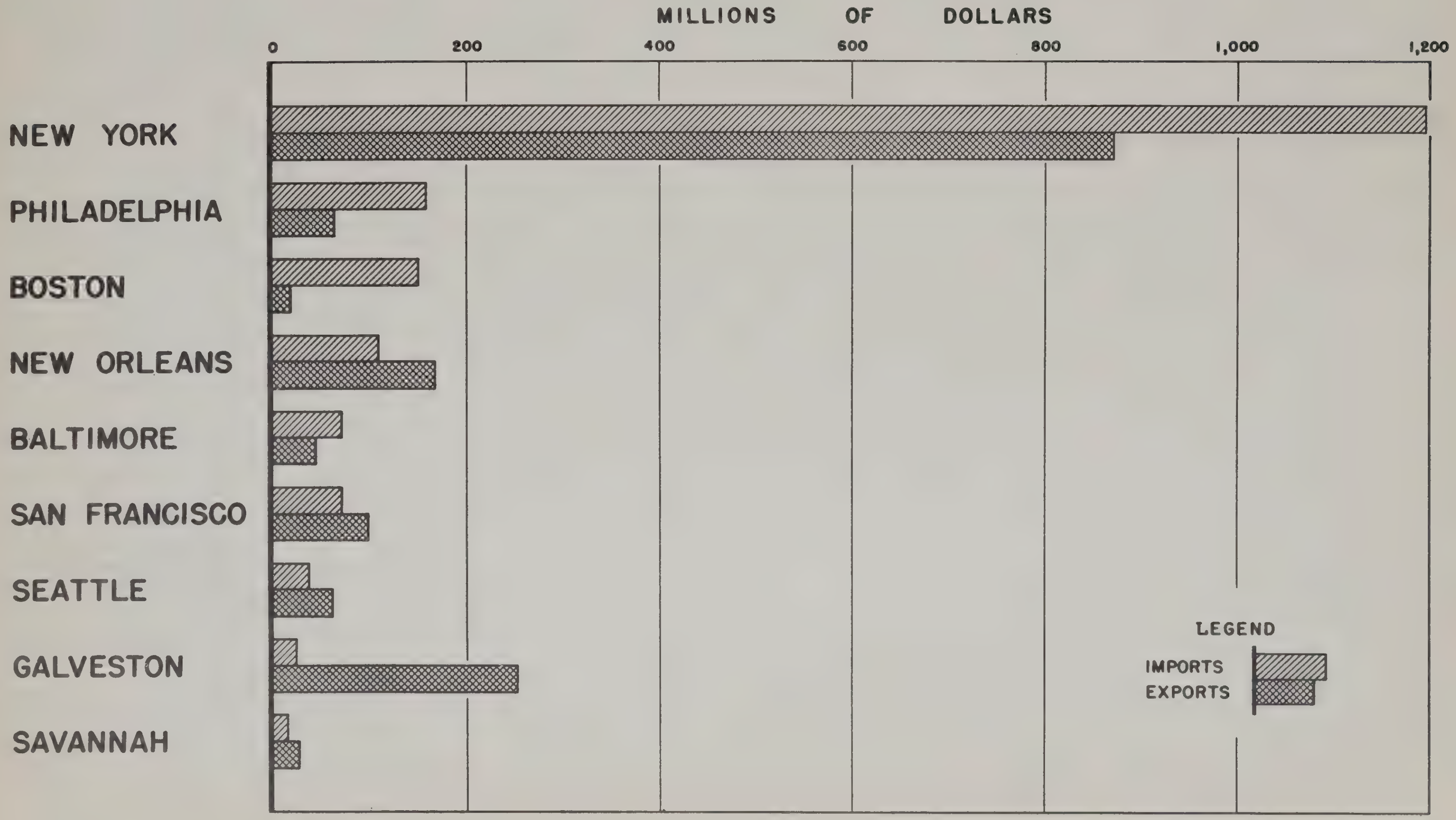
The great shrinkage in the volume of foreign trade of the United States from over 9 billion dollars a year from 1925 to 1929 inclusive, to five billion dollars annually in 1938 and 1939, has caused a corresponding drop in the foreign trade of the port of New York which dropped from 4 billion dollars in 1929 to slightly over 1 billion dollars in 1932 and which has recovered to 2.4 billion dollars in 1939 and to over 3 billion dollars for the calendar year 1940. The Port of New York has not only succeeded in maintaining its former share in the total foreign trade of the United States of 35 percent of the dollar value of the exports and about half of the dollar value of imports but as a result of increased shipment of war materials to Britain, nearly 50 percent of American exports were shipped through the Port of New York in 1940. During World War I exports through the Port of New York likewise rose temporarily to half of the nations total. The war, however, with its stoppage of the sailing of the largest passenger liners to Europe and its paralysis of the commerce with German-occupied countries such as France, Holland, Norway and Denmark, has had an adverse effect on the business of the Port of New York.

One of the greatest factors in building up New York City was the great outward flow of raw materials from the Middle West through the port of New York to the industrial nations of Europe and the inward flow of manufactured goods from Europe and coffee, sugar, etc. from Latin Americas. The underlying basis of this great commerce is being undermined. With the rise of Germany, Russia, Italy and Japan, as industrial nations and their use of force to close markets in Europe and Asia against us, the opportunities for peaceful trade are correspondingly reduced.

Furthermore foreign nations lack the purchasing power now to continue buying our peacetime goods and they will lack buying power even more after they have exhausted their resources in the present war.

COMPARISON OF IMPORTS AND EXPORTS OF SELECTED AMERICAN SEAPORT CITIES

1936



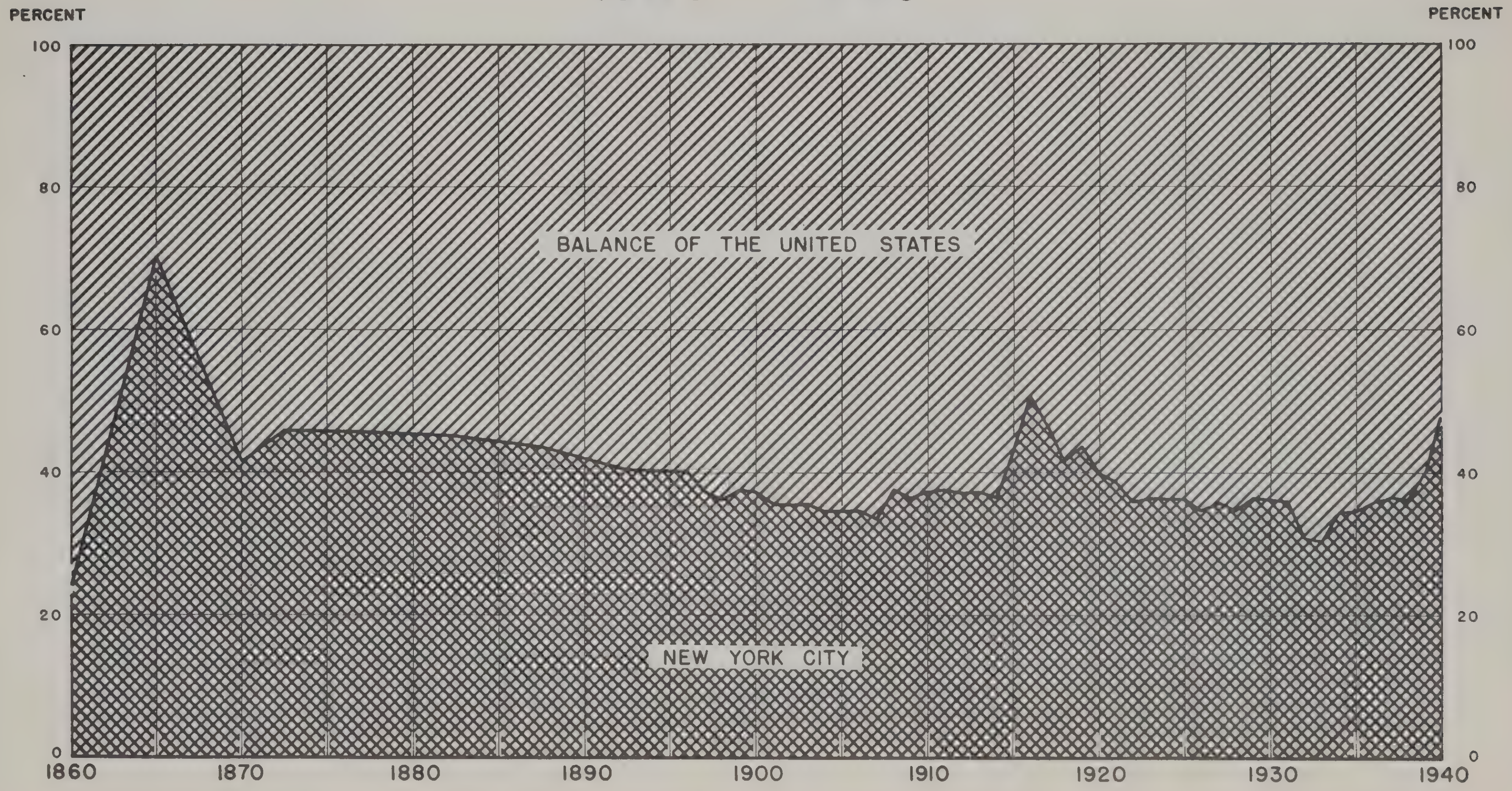
Also there has been a decline of over 50 percent in the physical volume of exports going thru the port of New York from 1928 to 1938 which means a reduction in the number of persons engaged in trucking and in handling freight at the docks! We already have most of the world's gold, which is taken out of holes in the ground in South Africa to be buried in another hole in the ground in Kentucky. We have taken foreign bonds in payment for goods in the twenties and we have witnessed the almost universal depreciation of these securities, so that it will be difficult, if not impossible, to float any more such issues in this country. So we cannot take gold or notes in payment for our exports and our manufacturers object to our taking foreign manufactured goods and raise tariff barriers against them. If we cannot take cash, notes or goods in exchange for our exports, what can we take? It seems probable that our foreign trade will dwindle to the point where we export just enough to pay for indispensable imports of rubber, tin, coffee, sugar, manganese, silk, bananas etc. and even now we are developing nylon substitutes for silk and endeavoring to produce synthetic rubber.

Hence the long run prospects for increased American foreign trade about half of which comes through the port of New York are not bright.

Furthermore the Port of New York itself is suffering in competition with other American ports because of its higher handling costs.

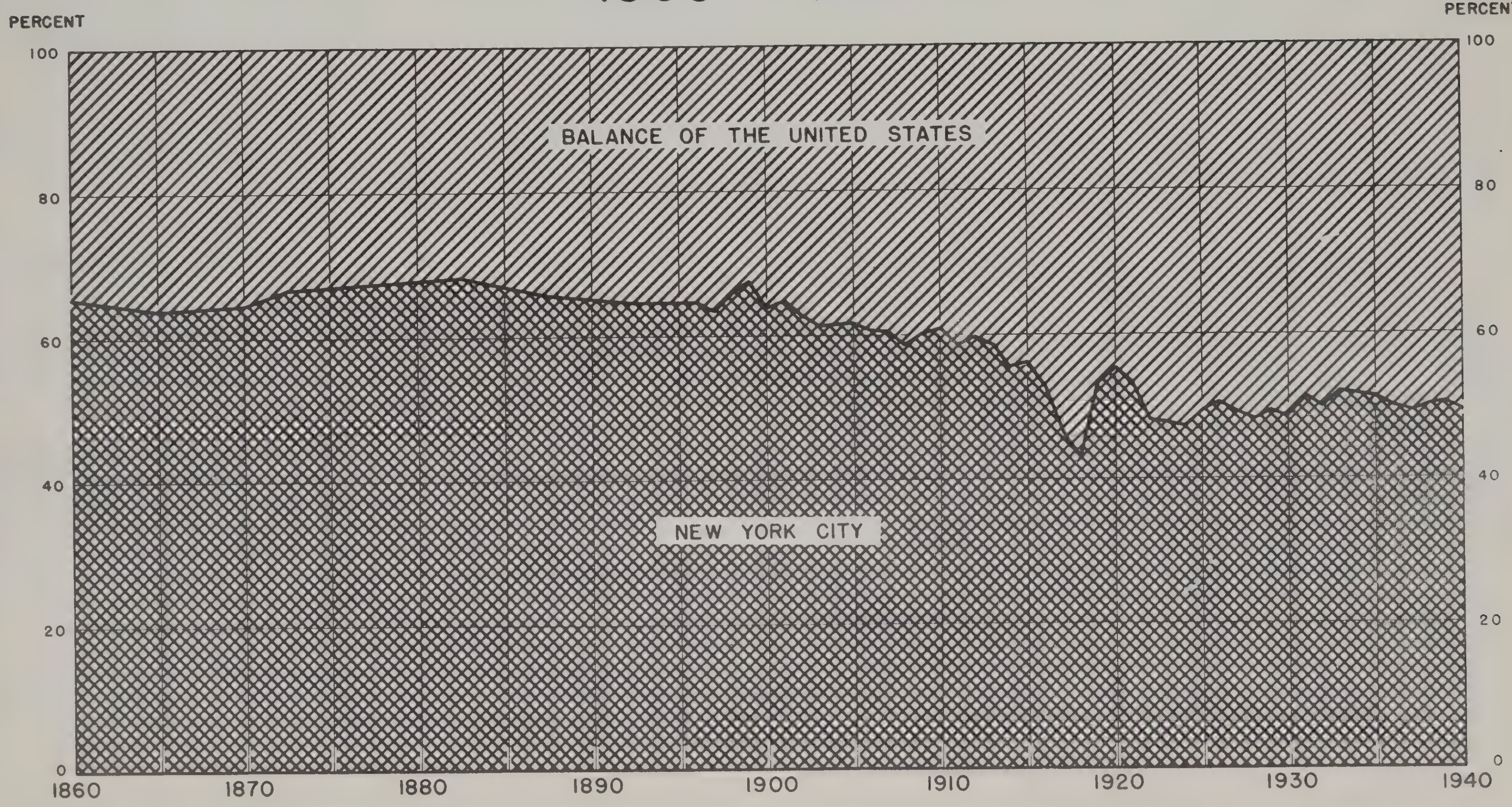
However, for the next few years, shipments of war materials to Great Britain will sustain a fairly large volume of exports through the port of New York. Credit will probably be extended to England, if her cash resources are exhausted and this will make possible an even larger flow of war goods through New York to Britain.

NEW YORK EXPORTS AS A PERCENT OF UNITED STATES TOTAL 1860 – 1940



NEW YORK IMPORTS AS A PERCENT OF UNITED STATES TOTAL

1860 – 1940



VALUE AND VOLUME OF FOREIGN TRADE AT THE PORT OF NEW YORK AND THE UNITED STATES FOR CALENDAR YEARS

	VALUE			VOLUME		
YEAR	UNITED STATES (Thousands of Dollars)	PORT OF NEW YORK (Thousands of Dollars)	PERCENT NY of US	UNITED STATES (Long Tons)	PORT OF NEW YORK (Long Tons)	PERCENT NY of US
			EXPORTS AND IMPORTS			
1925	9 136 437	3 848 585	42.1	92 766 332	23 734 441	25.6
1926	9 239 548	3 887 502	42.1	111 426 668	24 059 315	21.6
1927	9 050 117	3 768 893	41.6	98 926 746	24 839 222	25.1
1928	9 219 801	3 719 962	40.3	104 445 332	26 110 166	25.0
1929	9 640 357	4 055 811	42.1	104 553 967	26 702 670	25.5
1930	6 904 089	2 853 536	41.2	97 247 982	23 180 883	23.8
1931	4 514 924	1 931 057	42.8	75 913 532	18 699 686	24.6
1932	2 933 790	1 131 505	38.6	60 554 846	14 804 620	24.4
1933	3 124 553	1 255 217	40.3	58 952 517	14 205 698	24.1
1934	3 768 803	1 568 034	41.6	67 634 964	15 360 782	22.7
1935	4 321 779	1 823 461	42.2	72 111 543	15 288 489	21.2
1936	4 879 955	2 069 338	42.4	78 109 794	17 352 377	22.2
1937	6 359 019	2 714 242	42.7	96 620 546	20 610 433	21.3
1938	5 044 064	2 109 778	41.8	93 912 435	16 631 002	17.7
1939	5 453 638	2 443 199	44.8			
1940(1)	4 901 404	2 370 940	40.4			
			EXPORTS			
1925	4 909 848	1 774 436	36.1	49 693 130	11 770 797	23.7
1926	4 808 660	1 662 538	34.6	67 733 656	10 949 743	16.2
1927	4 865 375	1 726 110	35.5	56 901 433	11 434 523	20.1
1928	5 128 357	1 769 904	34.5	57 976 557	10 857 949	18.7
1929	5 240 996	1 903 095	36.3	54 709 813	9 738 432	17.8
1930	3 843 181	1 384 309	36.0	49 735 046	7 862 282	15.8
1931	2 424 289	868 707	35.8	40 049 246	5 991 868	15.0
1932	1 611 016	475 423	29.5	31 844 566	4 125 472	13.0
1933	1 674 994	506 982	30.3	32 385 550	4 146 699	12.8
1934	2 132 800	733 875	34.4	37 821 061	5 152 276	13.6
1935	2 282 874	790 336	34.6	38 145 865	5 051 071	13.2
1936	2 455 978	872 314	35.5	39 714 046	5 264 802	13.3
1937	3 349 167	1 234 432	36.9	54 557 725	7 136 755	13.1
1938	3 094 440	1 126 260	36.4	59 094 768	5 949 377	10.1
1939	3 177 344	1 294 013	40.7		7 161 130	
1940(1)	3 029 988	1 448 130	47.8			
			IMPORTS			
1925	4 226 589	2 074 149	49.1	43 073 202	11 963 644	27.8
1926	4 430 888	2 224 964	50.2	43 693 012	13 109 572	30.0
1927	4 184 742	2 042 783	48.8	42 025 313	13 404 699	31.9
1928	4 091 444	1 950 058	47.7	46 468 775	15 252 217	32.8
1929	4 399 361	2 152 716	48.9	49 844 154	16 964 238	34.0
1930	3 060 908	1 469 227	48.0	47 512 936	15 318 601	32.2
1931	2 090 635	1 062 350	50.8	35 864 286	12 707 818	35.4
1932	1 322 774	656 082	49.6	28 710 280	10 679 148	37.2
1933	1 449 559	748 235	51.6	26 566 967	10 058 999	37.9
1934	1 636 003	834 159	51.0	29 813 903	10 208 506	34.2
1935	2 038 905	1 033 125	50.7	33 965 678	10 237 418	30.1
1936	2 423 977	1 197 024	49.4	38 395 748	12 087 575	31.5
1937	3 009 852	1 479 810	49.2	42 062 821	13 473 678	32.0
1938	1 949 624	983 518	50.4	34 817 667	10 681 625	30.7
1939	2 276 294	1 149 186	50.5		12 325 100	
1940(1)	1 871 416	922 810	49.3			

(1) First nine months.

THE ECONOMIC BACKGROUND OF NEW YORK CITY

THE BASIC SOURCES OF EMPLOYMENT AND TAXPAYING ABILITY

5. IMMIGRATION

IMMIGRATION

New York City grew to its present size, partly as a result of the huge tide of immigration that once flowed through it. Of the 39 million immigrants who came to the United States from 1920 to 1939, 25 millions entered through the port of New York. This great movement of people, unprecedented in the history of the world, consisted mainly of adults in the prime of life who constituted an instant addition to our labor power and who when employed created an immediate demand for housing facilities, food, clothing and amusements. Even the millions of entering aliens who did not remain permanently in New York City, created a large volume of business for hotels, restaurants and railroads. Hence the shrinkage of this great migration to a negligible amount cannot fail to have an adverse effect on the trade of the Central business district of New York City.

How this great flow of people has dwindled in volume is strikingly indicated by the immigration statistics. For the ten years prior to the first world war, or before June 30, 1914, 7,638,551 immigrants entered the port of New York. In the 10 years of our post-war ending June 30, 1930, 2,104,426 immigrants came through New York. Even this volume has shrunk to approximately 350,000 for the past decade or only 5 percent of the numbers of the peak tide prior to 1914.

The decline in the volume of immigration since 1914 is indicated in the table following this page.

The decline in the volume of immigration has been felt particularly by the lower east side, the chief residential area into which immigrants poured. Its population declined from 542,061 in 1910 to 200,000 in 1940, and the drop in the earnings of those remaining has drastically reduced the purchasing power available for stores in the downtown area.

Table

ARRIVALS OF PASSENGERS IN THE U.S. AND AT THE PORT OF NEW YORK CLASSIFIED BY U.S. CITIZENS RETURNING, NON-IMMIGRANT ALIEN AND IMMIGRANTS

FISCAL YEARS

	U. S. Total				New York City			
Year	U.S. Citizens	Non-Immigrant Alien	Immigrant	Total	U.S. Citizens	Non-Immigrant Alien	Immigrant	Total
1939	354,438	185,333	82,998	622,769	237,667	114,332	62,035	414,034
1938	406,999	184,802	67,895	659,696	275,649	114,668	44,846	435,163
1937	386,872	181,640	50,244	618,756	265,334	116,574	31,644	413,552
1936	318,273	154,570	36,329	509,172	218,282	99,114	23,434	340,830
1935	282,518	144,765	34,956	462,239	205,527	95,186	23,173	323,886
1934	273,257	134,434	29,470	437,161	203,370	93,045	17,574	313,989
1933	305,001	127,660	23,068	455,729	226,771	89,275	12,944	328,990
1932	339,262	139,295	35,576	514,133	246,946	93,746	21,500	362,192
1931	439,897	183,540	97,139	720,576	317,726	124,980	63,392	506,098
1930	477,260	204,514	241,700	923,474	326,914	141,369	147,982	616,265
1929	449,955	199,649	279,678	929,282	313,030	141,290	158,238	612,558
1928	430,955	193,376	430,955	1,055,286	299,273	133,217	157,887	590,376
1927	378,520	202,826	335,175	916,521	269,026	132,283	165,510	566,819
1926	370,757	191,618	304,488	866,863	263,170	119,241	149,289	531,700
1925	339,239	164,121	294,314	797,674	219,861	100,829	137,492	458,182
1924	301,281	172,406	706,896	1,180,583	205,362	97,471	205,362	508,195
1923	308,471	150,487	522,919	981,877	211,917	89,914	211,917	513,748
1922	243,563	122,949	309,556	676,068	162,389	65,962	209,778	438,129
1921	222,712	172,935	805,228	1,200,875	141,482	87,682	560,971	790,135
1920	157,173	191,575	430,001	778,749	85,173	105,343	225,206	415,722
1919	96,420	95,889	141,132	333,441	31,546	35,026	26,731	93,303
1918	12,867	101,235	110,618	224,720	21,739	26,387	28,867	76,993
1917	127,420	67,474	295,403	490,297	39,958	29,100	129,446	198,504
1916	121,930	67,922	298,826	488,678	49,733	32,721	141,390	223,844
1915	239,579	107,544	326,700	673,823	132,983	62,738	178,416	374,137
1914	286,586	184,601	1,218,490	1,689,677	168,912	114,521	878,052	1,161,485
1913	286,604	229,335	1,197,892	1,713,831	166,686	139,937	892,653	1,199,276
1912	280,801	178,983	838,172	1,297,956	179,358	112,268	605,151	896,777
1911	269,128	151,713	878,587	1,299,428	182,724	100,059	637,003	919,786
1910	243,191	156,467	1,041,570	1,441,228	170,210	109,921	786,094	1,066,225
1909	217,173	192,449	751,786	1,161,408	169,820	144,140	580,617	894,577
1908	200,447	141,825	782,870	1,125,142	158,619	99,008	585,970	843,597
1907	191,797	153,120	1,285,349	1,630,266	146,747	111,539	1,004,756	1,263,042
1906	177,488	65,618	1,100,735	1,343,841	135,959	44,975	880,036	1,060,970
1905	167,227	40,889	1,026,499	1,234,615	123,618	27,667	788,219	939,504
1904	147,974	27,844	812,870	988,688	113,556	21,627	606,019	741,202
1903	140,669	28,119	857,046	1,025,834	108,345	21,270	631,885	761,500
1902	142,058	30,092	648,743	820,893	110,636	22,287	493,262	626,185
1901	157,050	30,057	487,918	675,025	127,044	22,933	388,931	538,908
1900	120,477	25,429	448,572	594,478	95,537	21,745	341,712	458,994
1899	95,196	22,885	311,715	429,796	72,880	19,016	242,573	334,469
1898	93,602	21,062	229,299	343,963	76,470	15,060	178,748	270,278
Total	10,602,087	5,523,047	20,209,377	36,354,511	7,277,948	3,489,466	13,656,705	24,424,119

THE ECONOMIC BACKGROUND OF NEW YORK CITY

THE BASIC SOURCES OF EMPLOYMENT AND TAXPAYING ABILITY

6. FINANCE - STOCK EXCHANGES AND BANKS

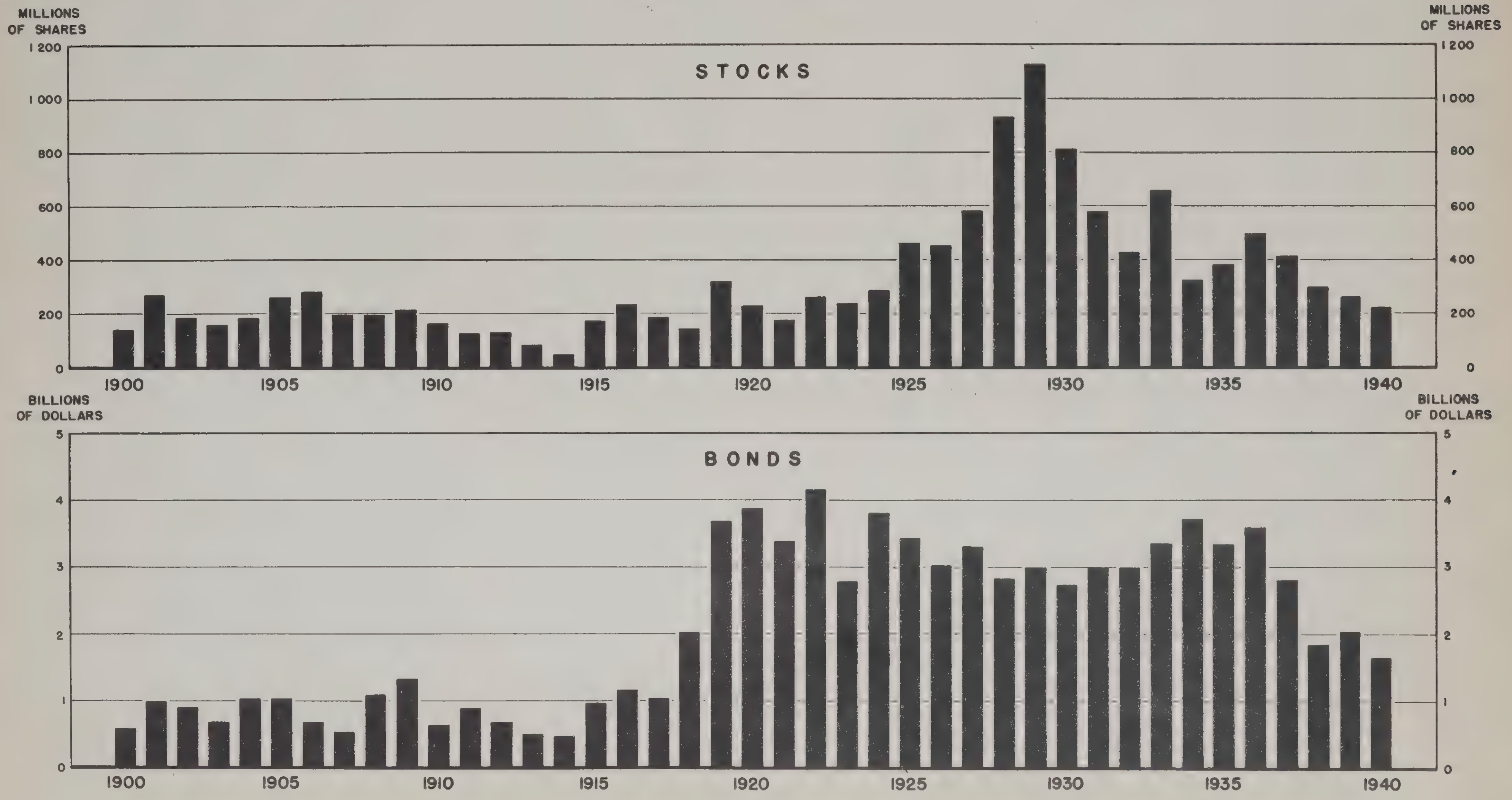
FINANCE

STOCKS. From the peak year of 1929 when 1,124,608,910 shares of stock were transferred there has been a continuous decline in the number of shares of stock sold on the New York Stock Exchange. In the entire year of 1940, only 207,599,749 shares were sold, a drop of over 80 percent from the peak figures of eleven years ago. The New York Stock Exchange still remains the dominating stock exchange of the nation, however, as the value of the shares sold at the Big Board and the New York Curb Exchange was 93.3 percent of the total value of stocks sold on all the registered security exchanges of the nation. Hence the decline in the volume of trading on the New York Stock Exchange is not primarily due to the gravitation of business to stock exchanges in other cities, but to a decline of security trading in the entire United States. The curtailment of buying of American securities in European branches of the New York Stock Exchange firms, which amounted to as much as 11 percent of the total volume of trading before the outbreak of the second World War, has likewise contributed to the declining trend in the total volume of business on the New York Stock Exchange.

BONDS. Sales of bonds have likewise dropped below the annual three billion dollar level prevailing from 1919 to 1936, to below two billion dollars in 1938, 1939 and 1940. In recent years there are more sales of government bonds in large blocks to big financial institutions so that there is less business in retailing bonds to the general public. The American Telephone and Telegraph Company recently sold a large bond issue directly to banks and insurance companies without using the services of the stock exchange. This direct dealing augurs ill for increasing the business of the financial middlemen on the New York Stock Exchange. The two leading New York exchanges, however, accounted for 99.8 percent of the market value of the bond sales on all registered security exchanges in November 1940. Hence New York still has a virtual monopoly of the bond sales that are made through organized exchanges.

THE ANNUAL VOLUME OF STOCKS AND BONDS BOUGHT AND SOLD ON THE NEW YORK STOCK EXCHANGE

1900 - 1940

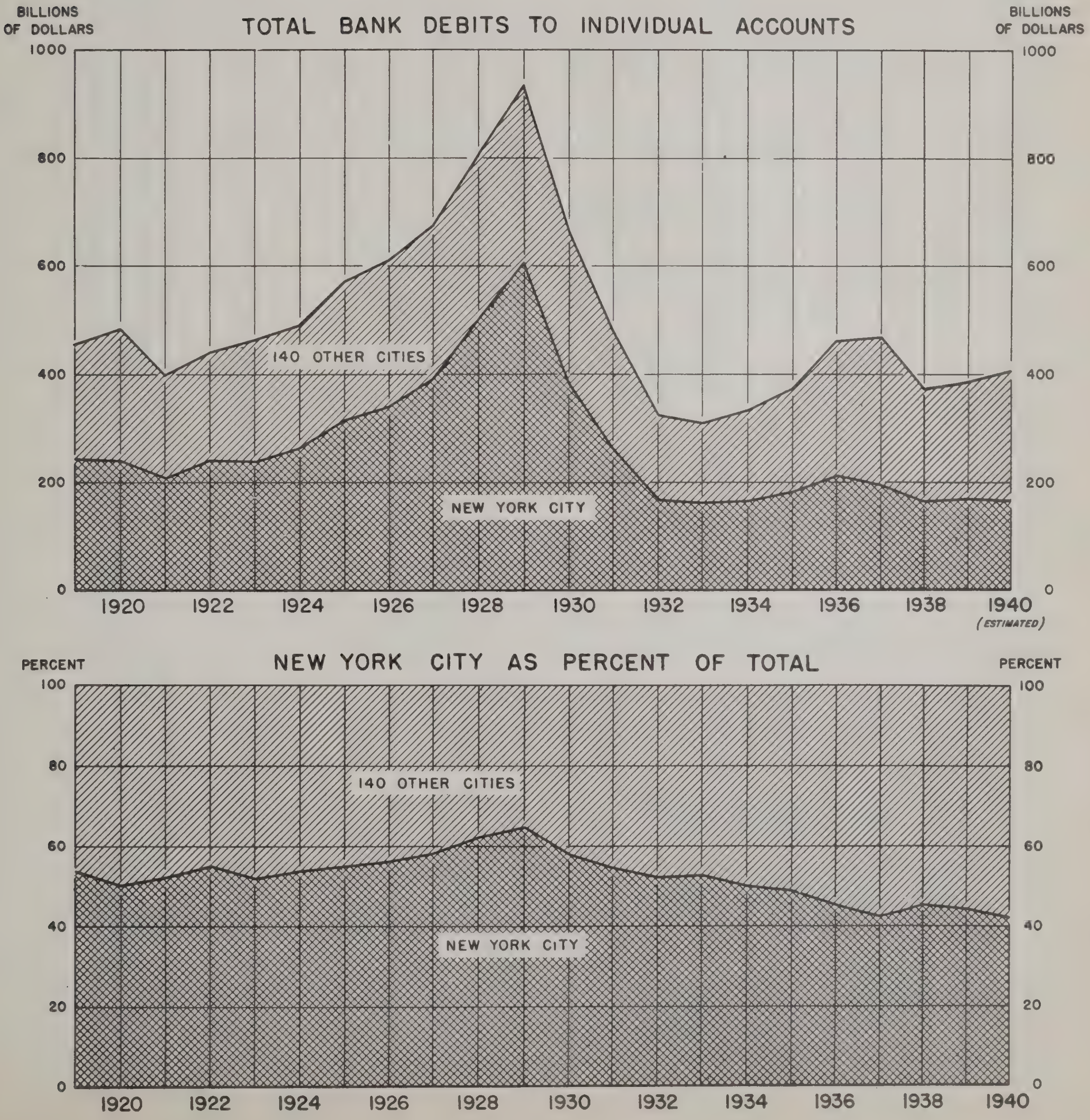


DEBITS TO INDIVIDUAL ACCOUNTS New York City, as the financial center of the American hemisphere, has naturally held a predominant position in banking.

In 1920 the New York debits to individual accounts were approximately equal to the debits of the 140 other cities combined, but the proportion of bank clearings in New York to the total for 141 cities including New York increased from about 50 percent in 1920 to 62 percent in 1929. It has since declined to approximately 44 percent in 1939 and to 42 percent for 1940. This relative decline of bank debits in New York reflects not only the lessened volume of transactions on the New York Stock Exchange, but it may also indicate a decentralizing trend in finance.

DEBITS TO INDIVIDUAL ACCOUNTS BY BANKS IN NEW YORK CITY COMPARED WITH THE TOTAL FOR 141 PRINCIPAL CITIES

1919 – 1940



REPORTED STOCK VOLUME ON EACH PRINCIPAL NATIONAL SECURITIES EXCHANGE AS PERCENT OF TOTAL VOLUME ON ALL ELEVEN PRINCIPAL EXCHANGES

1929 - 1940 1/

Exchange	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	Jan.- Aug. 1940
Boston Stock	1.4	1.3	1.6	1.9	1.9	1.9	1.3	1.0	1.2	1.4	1.6	1.5
Chicago Stock	4.5	5.9	4.5	2.9	2.2	2.4	2.4	2.8	2.5	2.8	2.5	2.3
Cincinnati Stock	0.1	0.1	0.1	0.1	2/	0.1	2/	0.1	2/	2/	0.1	0.1
Cleveland Stock	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2
Detroit Stock	0.6	0.4	0.5	0.5	0.5	0.9	1.1	1.0	0.9	1.0	1.0	1.1
Los Angeles Stock	0.8	0.8	0.7	0.6	0.4	0.6	1.6	1.8	2.4	1.8	1.4	1.7
New York Curb	26.3	18.7	14.3	10.8	12.3	14.3	14.9	19.2	18.2	12.8	13.4	15.6
New York Stock	62.1	68.3	75.0	80.0	80.1	77.2	75.2	70.6	71.2	76.8	76.7	74.0
Philadelphia Stock	2.0	2.3	1.4	1.2	0.9	0.7	0.9	0.8	0.8	0.9	1.1	0.9
Pittsburgh Stock	0.3	0.3	0.2	0.3	0.3	0.4	0.5	0.4	0.4	0.4	0.3	0.3
San Francisco Stock & Curb 3/	1.8	1.8	1.6	1.6	1.3	1.4	2.0	2.2	2.3	2.0	1.8	2.3
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
New York Stock and Curb	88.4	87.0	89.3	90.8	92.4	91.5	90.1	89.8	89.4	89.6	90.1	89.6
Others	11.6	13.2	10.7	9.2	7.6	8.5	9.9	10.2	10.6	10.4	9.9	10.4
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

1/ Only the first eight months of 1940 are included

2/ 0.05 or less

3/ San Francisco Stock Exchange and San Francisco Curb Exchange are combined. The two exchanges were merged as of May 2, 1938.

Source: For the years from 1929 through 1935, this table is based on data in the Commission's Release No. 494, Securities Exchange Act of 1934. Data for subsequent years are obtained from yearbooks and releases of the various exchanges, from the Bank and Quotation Record of the Commercial and Financial Chronicle, and from reports to the Commission by the Exchanges.

Table

NEW YORK STOCK EXCHANGE

STOCK AND BOND VOLUMES

1900-1940

Year	Stocks (Number of Shares)	Year	Bonds
1900	139,074,651	1900	$ 577,763,080
1901	264,941,308	1901	994,554,830
1902	186,733,710	1902	893,048,032
1903	158,578,700	1903	686,434,850
1904	186,921,488	1904	1,032,653,647
1905	260,557,777	1905	1,026,452,550
1906	282,206,863	1906	677,183,331
1907	194,635,640	1907	529,833,269
1908	194,554,462	1908	1,081,172,520
1909	212,419,698	1909	1,314,423,665
1910	163,704,819	1910	634,860,010
1911	125,852,824	1911	889,073,610
1912	131,488,148	1912	673,426,920
1913	82,849,155	1913	501,530,320
1914	47,431,227	1914	461,649,200
1915	172,496,774	1915	961,698,900
1916	232,633,124	1916	1,148,159,550
1917	184,623,326	1917	1,034,568,500
1918	143,279,573	1918	2,012,365,300
1919	318,272,910	1919	3,676,100,600
1920	227,635,768	1920	3,868,421,700
1921	172,778,535	1921	3,386,159,000
1922	260,890,802	1922	4,145,568,008
1923	236,482,731	1923	2,774,966,900
1924	284,044,082	1924	3,801,963,000
1925	459,717,623	1925	3,427,042,210
1926	451,868,353	1926	3,015,344,915
1927	581,702,342	1927	3,307,239,382
1928	930,893,276	1928	2,835,831,560
1929	1,124,608,910	1929	2,996,398,000
1930	810,632,546	1930	2,730,301,800
1931	576,765,412	1931	2,969,770,600
1932	425,234,294	1932	2,991,244,000
1933	654,816,452	1933	3,355,646,000
1934	323,845,634	1934	3,701,916,000
1935	381,635,752	1935	3,339,418,000
1936	496,046,869	1936	3,576,874,000
1937	409,464,570	1937	2,792,531,000
1938	297,466,722	1938	1,859,865,000
1939	262,029,599	1939	2,046,083,000
1940	207,599,249	1940	1,669,438,000

THE ECONOMIC BACKGROUND OF NEW YORK CITY

THE BASIC SOURCES OF EMPLOYMENT AND TAXPAYING ABILITY

7. LIFE INSURANCE

LIFE INSURANCE

New York is not merely a center for the stock and bond investments of a continent, but this international focus of investments is also the largest savings bank and life insurance center of the country and of the world. In greater New York at the end of 1936 there were held 56 percent of the life insurance assets of the United States and 54 percent of all the insurance assets.

The three largest life insurance companies in the United States, - the Metropolitan, New York Life and Equitable and the fifth in point of size, the Mutual - have maintained their location in Manhattan and increased the total number of their employees by 50 percent since 1925. This volume of employment showed a steady increase even during the depression years of 1932 and 1933 until 1934. During the last six years, the total employment in the four largest life insurance companies has maintained this level of 1934 with slight increases.

AVERAGE ANNUAL EMPLOYMENT IN HOME OFFICE OF THE FOUR LARGEST LIFE INSURANCE COMPANIES IN MANHATTAN, 1925-1939

Year	Number
1925	15,396
1926	16,449
1927	17,281
1928	17,841
1929	18,805
1930	19,904
1931	21,111
1932	21,963
1933	22,169
1934	22,632
1935	22,583
1936	22,188
1937	22,466
1938	22,774
1939	23,227

THE ECONOMIC BACKGROUND OF NEW YORK CITY

THE BASIC SOURCES OF EMPLOYMENT AND TAXPAYING ABILITY

8. UTILITIES

UTILITIES

ELECTRICITY From 1927 to 1936 the volume of electric energy metered to consumers increased more than 50 per cent (from 2.62 to 4.01 billion kilowatt hours). The volume of electricity sold to the municipality of New York showed a particularly marked increase.

The consumption of electricity by private consumers in Manhattan and the Bronx combined likewise increased 48 percent between 1928 and 1940 or from 1.76 to 2.61 billion kilowatt hours as the following table shows:

Year	Billion Kilowatt Hours
1940	2.61
1939	2.56
1938	2.46
1937	2.43
1936	2.36
1935	2.23
1934	2.16
1933	2.07
1932	2.10
1931	2.19
1930	2.11
1929	1.93
1928	1.76

CONSUMPTION OF WATER The volume of water consumption increased consistently with minor fluctuations until 1930, when it reached an all-time peak. It declined in 1931-1932 and has increased slowly since 1933 but even in 1938 the volume was still slightly below that of 1930, a decline of some ten million gallons per day or more than 1 percent of the total. The decrease, however, was due entirely to the decline in the consumption of water in industrial and business establishments.

TELEPHONES The number of business telephones in the area from 60 to 63rd Streets, to the Battery declined from 610,574 in 1930 to 542,194 in 1933 and then began a recovery which carried the number of business telephones to 617,957 in 1939. This recovery is indicated in the following table:

TABLE - Number of Business Telephones in Area South of East 60th Street and West 63rd Street, Manhattan

1930 to 1939

Date	Business Telephones
Dec. 31, 1930	610,574
" 1931	595,001
" 1932	549,182
" 1933	542,194
" 1934	550,287
" 1935	565,237
" 1936	593,520
" 1937	612,013
" 1938	609,785
" 1939	617,785

The total number of telephones in New York City, after rising continuously to 1929 and then declinding to 1933, began a recovery in 1933, which continued to the present. In 1939 the number of telephones in New York City was 1,670,000 or 91.7 percent of the 1929 number. There was a further gain during 1940, and the total number of telephones in the city on December 31, 1940 was 1,680,519.

THE ECONOMIC BACKGROUND OF NEW YORK CITY

THE BASIC SOURCES OF EMPLOYMENT AND TAXPAYING ABILITY

9. HOTELS

HOTELS

Hotels in New York City, while giving employment to only 2 percent of the gainfully occupied, are more important in the economy of the city than these figures indicate, because they furnish quarters for the millions of travelers and sightseers who spend money at the stores, restaurants, night clubs, etc. in New York City. New York, of course, has more hotel rooms than any other city in the United States. From 1927 to 1931, New York City hotel facilities were expanded rapidly, 84 new hotels with 51,240 rooms being added to its supply. In 1939, 31 transient hotels with 28,304 rooms, reported room sales of $27,039,653 compared with room sales of $96,792,070 for 300 hotels reporting in 100 cities in the United States.

Occupancy in the New York transient hotels, following the trend of general business conditions in the United States increased from 48.18 percent in 1932, the first year for which statistics were compiled, and 51.84 percent in 1933, 60.19 percent in 1934, 62.65 percent in 1935 and 68.19 percent in 1936, the peak in the current cycle. There was a decline to 67.55 percent in 1937 and to 61.28 percent in 1938. Then there was a slight recovery to 62.96 percent in 1939 as a result of the New York's World Fair. Occupancy for 1940 was 62.39 percent compared to 62.96 percent for 1939, indicating that even with the benefit of the continuation of the World's Fair for the second year, there was a slight decline. With the end of the World's Fair this year a further drop in 1941 can be prevented only by a continuation of the upturn of general business in the United States. The trend in occupancy for the past 9 years is indicated in the following table:

TABLE - Occupancy and Average room rates of 31 transient hotels in New York City with 28,304 rooms for calendar years 1932 to 1939

	Hotel Room Sales	Average Occupancy	Average Per Room
1932	$ 18,725,152	48.18%	$ 3.66
1933	17,231,995	51.84	3.15
1934	19,892,019	60.19	3.14
1935	20,824,560	62.65	3.17
1936	23,668,090	68.19	3.31
1937	25,181,611	67.55	3.57
1938	22,573,533	61.28	3.55
1939	27,039,653	62.96	4.16
1940	24,280,258	62.39	3.76

While there has been a recovery in hotel occupancy from the extreme low points of 1932, the vacancies in New York hotels are still larger than in the period before 1929. While no specific figures for New York are available, hotel occupancy for the United States in 1939 was only 88 percent of the level of 1929 and hotel room rates were only 83 percent of the figures of 1929. Hotel income for 1939 was only 82 percent of the income for 1929, and corresponds very closely to the fluctuations in the national income.

New Hotels in New York City

	No. Hotels	No. Rooms
1927	35	14,360
1928	23	10,080
1929	11	8,150
1930	12	13,950
1931	3	4,700
	84	51,240

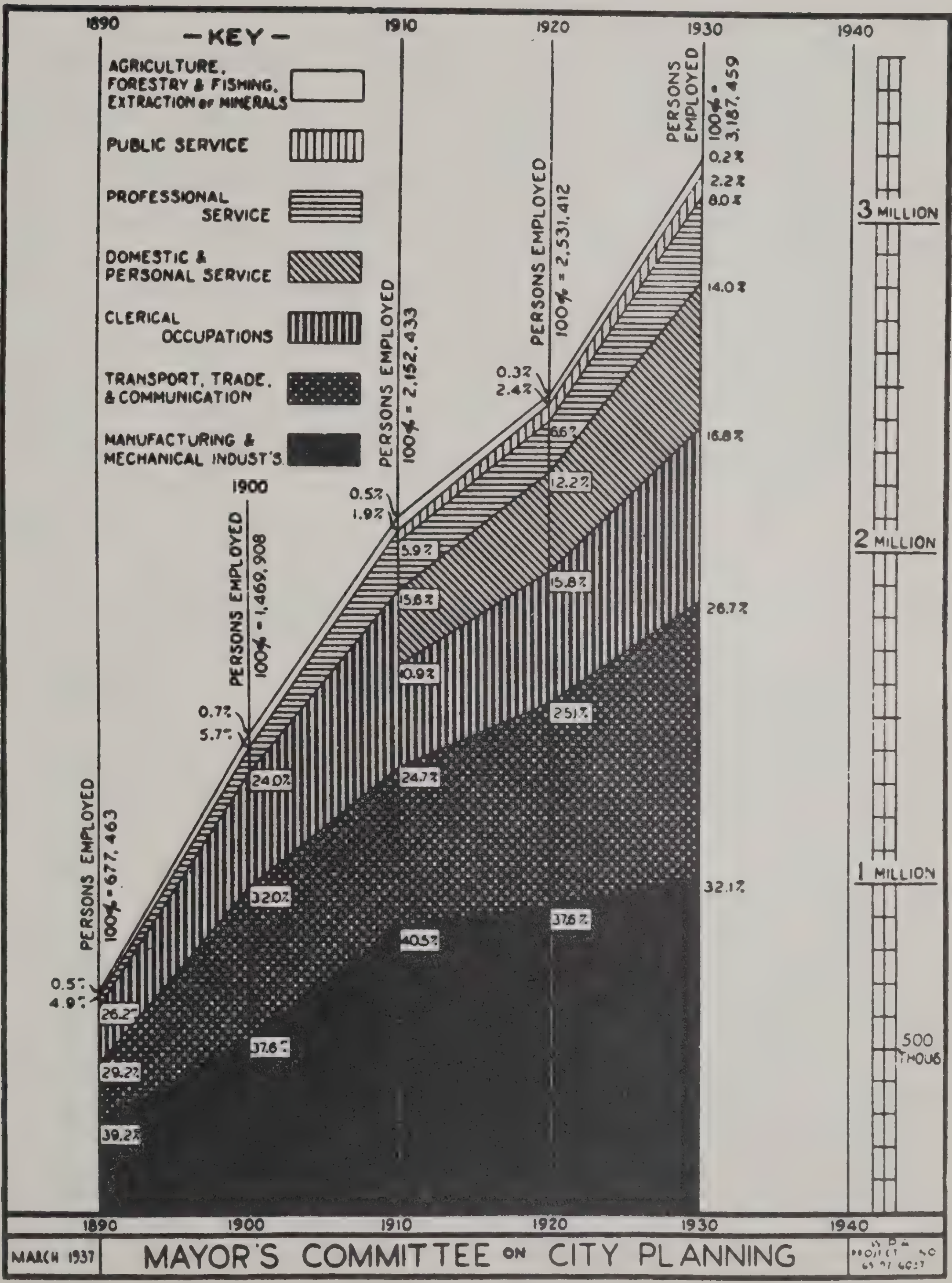
THE ECONOMIC BACKGROUND OF NEW YORK CITY

THE BASIC SOURCES OF EMPLOYMENT AND TAXPAYING ABILITY

10. SUMMARY OF SOURCES OF EMPLOYMENT

DISTRIBUTION OF PERSONS BY OCCUPATIONAL GROUPS, NEW YORK CITY

1890 – 1930



SEE HOYT'S REPORT, P. 12
OR PROGRESS REPORT OF MAYOR'S COMMITTEE ON CITY PLANNING

SUMMARY OF EMPLOYMENT TRENDS IN MANHATTAN

As we have noted in preceding sections, there has been a pronounced downward trend in manufacturing employment in Manhattan. The number of workers in life insurance companies and in department stores has maintained former peak levels with slight gains in the last five years. Employment at the Port and in the New York Stock Exchange has declined in the last decade. There has been sharp declines in the number employed in the utilities as a result of the increasing use of the automatic telephone and other factors. Employment in federal, state and municipal offices on the other hand has greatly increased. Thus self-supporting sources of employment that yield income to pay taxes are declining in Manhattan while public employment which increases the tax burden is increasing.

THE TOTAL NUMBER OF CIVIL SERVICE EMPLOYEES IN NEW YORK CITY - 1920 to 1939

Year	Total Number of Employees in all Classes
1920	54,674
1921	57,648
1922	60,451
1923	62,535
1924	66,378
1925	70,658
1926	73,808
1927	77,210
1928	83,056
1929	86,509
1930	89,501
1931	94,443
1932	89,400
1933	90,798
1934	86,364
1935	89,002
1936	95,973
1937	107,147
1938	118,456
1939	120,897

IV

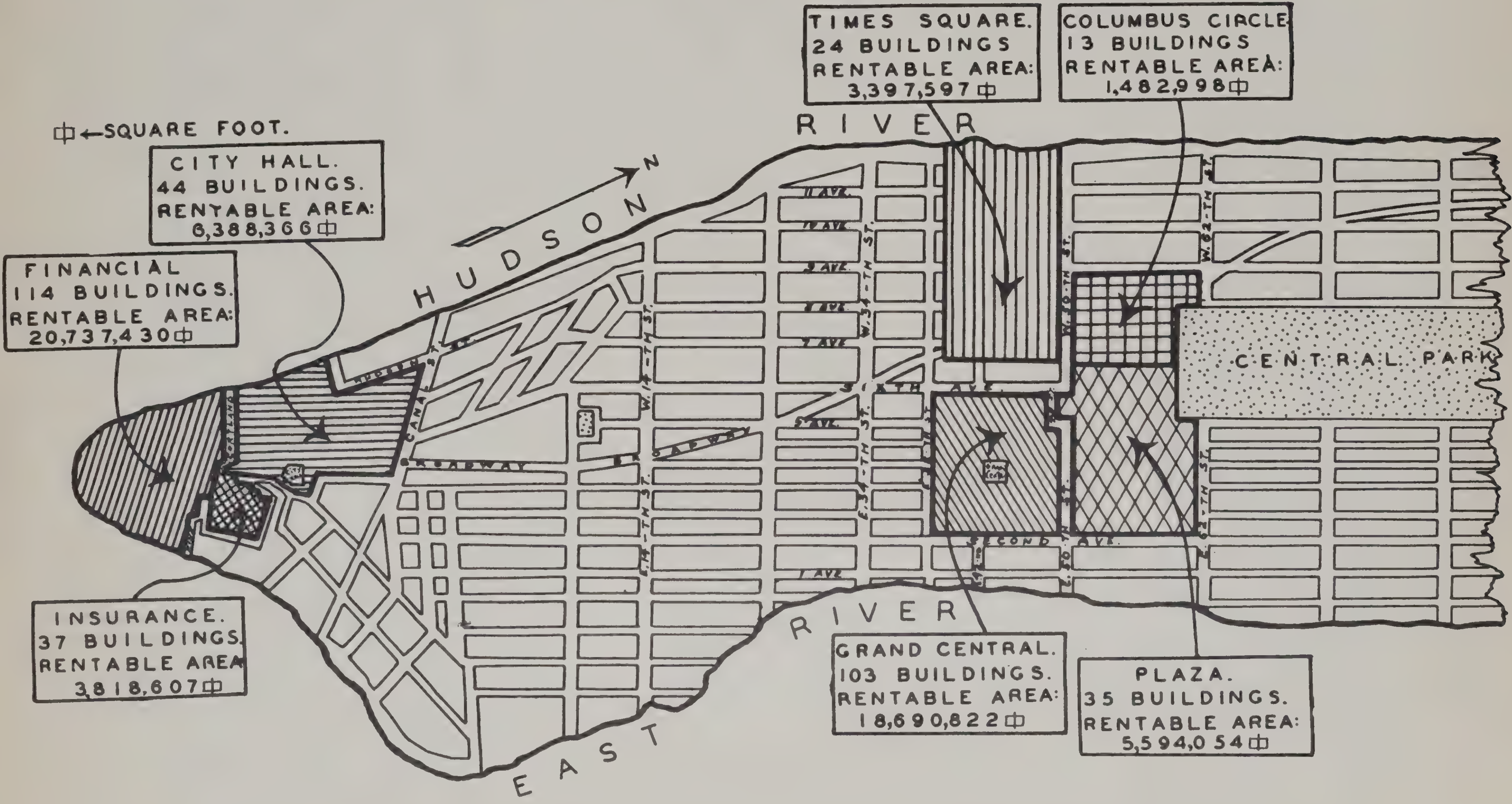
OFFICE, LOFT AND THEATRE DISTRICTS

1. THE UPTOWN OFFICE BUILDING CENTERS
2. THE FINANCIAL AND INSURANCE CENTERS
3. THE THEATRE
4. LOFT BUILDINGS IN MANHATTAN

OFFICE, LOFT AND THEATRE DISTRICTS

1. THE FINANCIAL AND INSURANCE CENTERS

OFFICE DISTRICTS OF MANHATTAN WITH OCCUPANCY DATA OF COMPETITIVE BUILDINGS.


⊞←SQUARE FOOT.
CITY HALL. 44 BUILDINGS. RENTABLE AREA: 6,388,366⊞
FINANCIAL 114 BUILDINGS. RENTABLE AREA: 20,737,430⊞
INSURANCE. 37 BUILDINGS. RENTABLE AREA 3,818,607⊞
TIMES SQUARE. 24 BUILDINGS RENTABLE AREA: 3,397,597⊞
COLUMBUS CIRCLE 13 BUILDINGS RENTABLE AREA: 1,482,998⊞
GRAND CENTRAL. 103 BUILDINGS. RENTABLE AREA: 18,690,822⊞
PLAZA. 35 BUILDINGS. RENTABLE AREA: 5,594,054⊞
HUDSON
RIVER
EAST
RIVER
N
CENTRAL PARK
CANAL ST.
BROADWAY
W.14-TH ST.
E.14-TH ST.
W.34-TH ST.
E.34-TH ST.
W.50-TH ST.
E.50-TH ST.
W.62-TH ST.
E.62-TH ST.
11 AVE.
10 AVE.
9 AVE.
8 AVE.
7 AVE.
SIXTH AVE.
5 AVE.
SECOND AVE.
1 AVE.

THE FINANCIAL AND INSURANCE CENTER

Manhattan has two principal office building areas - downtown and midtown, each of which is subdivided into three or four sub-sections.

The Financial Center south of Cortlandt and Pine Streets remains fixed to its original location near Broad and Wall Streets where the Stock Exchange is situated.. Dependence on network of telegraph, telephone and cable lines coming to a central focus has tended to tie the financial district to one spot. It is important that financial institutions remain close to the shipping lines, Subtreasury, Federal Reserve Bank, Customs House, Clearing House, and then principal depositors such as railroads, utilities, as well as other banks so that business may be transacted speedily and directors conveniently reached for meetings. The new clearance system of inter-office confirmation of transactions by comparison "tickets" requiring running has emphasized the need of concentration. Coffee, sugar, cotton and cocoa markets are required by Exchange rules to have bank "margin depositories" within a given radius for accepting down payment against "future" trades and hence these exchanges must stick close together in a limited area.

The most desirable location for the executive offices of corporations for marketing, financing and production administration of their goods is the financial district. It is the most convenient location for loans, credit information and director's meetings and for access to the railroad and shipping offices for transportation and insurance. Lawyers and accountants for similar reasons find it convenient to be near the executives for whom they act and the banks and the Courts with whom they deal. In 1925, Moody's analysis of Industrial Corporations showed that 69.7 percent of corporations with assets over $100,000,000 had executive offices in the financial district.

The Financial District also comprises small activities such as cordage, chandlery and leather, on the East side, and residential (Syrian), radio hardwood and flowers on the West side. There are numerous buildings erected by the Federal Government including the Sub-Treasury, Assay Office, Customs House, Federal Office Building and Post Office, Army Building, etc. Here also are the headquarters of the national telephone and telegraph system - The American Telephone and Telegraph Company - The Hudson Terminal, the New York Telephone Company, large local savings banks, etc. The presence of so many office workers requires a large number of restaurants, office accessory, liquor and tobacco shops.

All of this aggregation of specialized institutions, dependent on each other, has been tied to the area of first settlement in New York since its inception over 150 years ago. Financial centers, self-sufficient to themselves remain rooted in one spot for generations like Lombard Street in London, and are not pulled by the drift of residential population as the northward movement of retail business along Fifth Avenue. Nevertheless the financial center of New York has threatened to move to Newark to escape the New York State taxes, and difficult as it may be, institutions threatened with severe loss due to their fixity of location might shift their base in order to live.

Insurance has concentrated in the Financial District since 1858, for the same reason of convenience in managing investments and of ready access to steamship offices requiring marine risk underwriting and to each other for subdividing risks generally. The Life Insurance Companies, largely internally self-sufficient have no such reasons for remaining downtown and three of the largest companies, the Metropolitan, New York Life and the Equitable have located uptown at 23rd, 26th and 32nd streets where they are convenient to subway, lines, tapping great pools of clerical workers.

North of the Financial District and directly adjoining it is the City Hall area where the Municipal and State office buildings house thousands of workers.

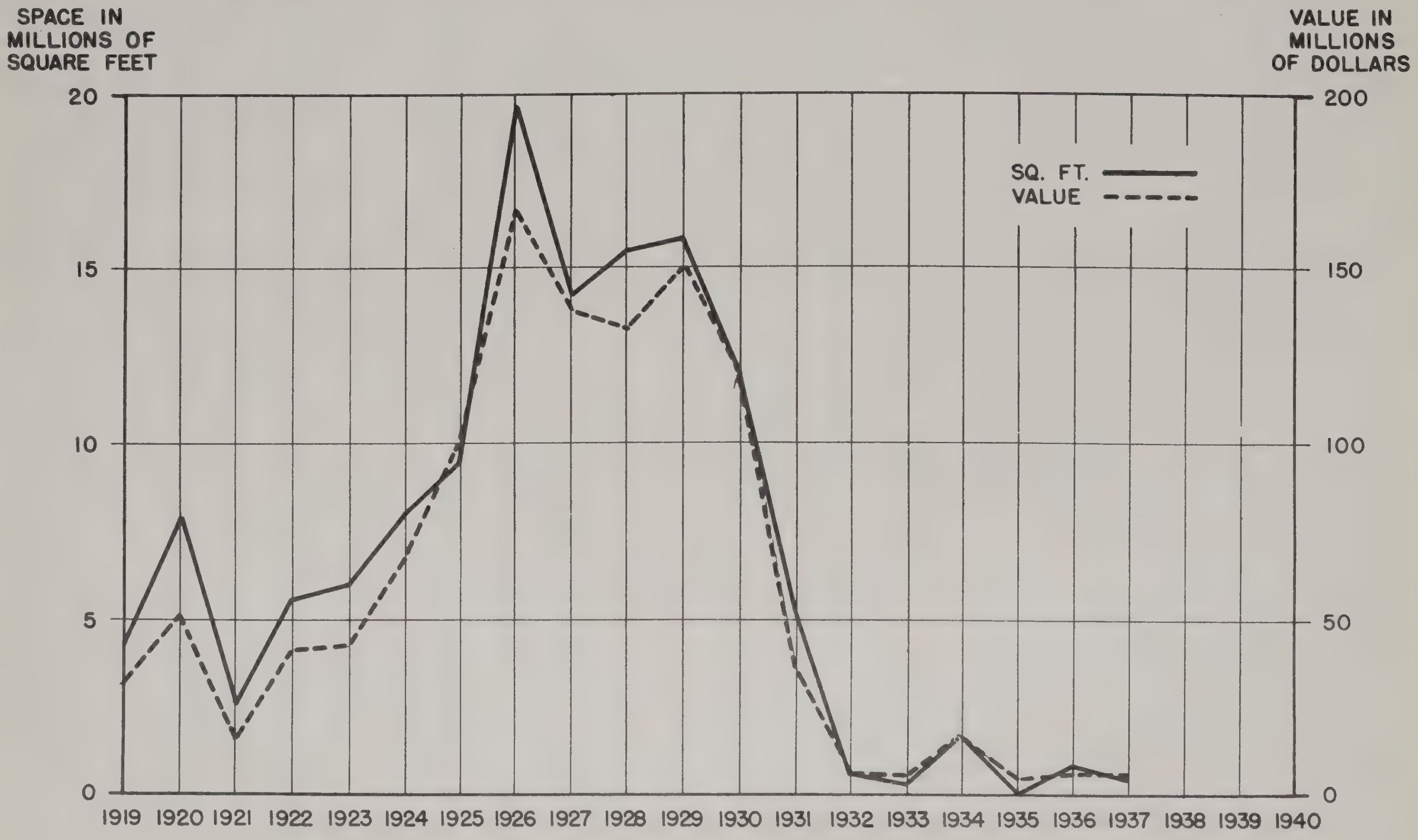
Thus the entire downtown office building area may be subdivided into three sections, the financial area with 114 buildings and a rentable area of 20,737,430 square feet, the insurance center with 37 buildings and 3,818,607 square feet and the City Hall area with 44 buildings and a rentable area of 6,388,366 square feet.

While the Financial District and its related insurance and shipping centers has maintained its fixity of location and while it has retained within its original area most of its functions, the total volume of business in stocks carried on in New York has itself shrunk. The peak occupancy of 98.6 percent in offices in the financial district in 1929 dwindled to 71.7 percent in 1934 and has recovered only to 82 percent today. Even with this lessened occupancy the volume of business in banking and stocks has so declined since 1929 that the space that is used is not intensively employed as in the hectic days of 1929. Rents for prime office space have declined from $6 and even $10 a square foot to $2 and $3 a square foot in the financial district.

OFFICE, LOFT AND THEATRE DISTRICTS

2. THE UPTOWN OFFICE BUILDING CENTERS

CONTRACTS AWARDED FOR OFFICE BUILDINGS
NEW YORK CITY



Based on data of
F. W. DODGE CORPORATION

LONG-RANGE STUDY

INSTITUTE OF PUBLIC ADMINISTRATION
NEW YORK CITY

THE UPTOWN OFFICE BUILDING CENTERS

The Uptown office building area is the zone of the most recent rapid growth. While 5,000,000 square feet of rentable space was added to the financial office building rentable area from 1920 to 1929, 12,500,000 square feet of rentable space was added in the Grand Central area in the same period, until in 1938 it had 18,690,822 square feet of rentable space. The Plaza area north of 50th extending to 62nd Street, east of 6th Avenue, likewise had a rapid growth in this period with 5,594,054 square feet of rentable space in 1938. Two other sub-areas, Times Square and Columbus Circle, with 3,397,597 square feet and 1,482,998 square feet respectively complete the Uptown area.

In between Canal and 38th Streets, or the boundaries of the downtown and uptown office centers, are large office buildings occupied by insurance companies, garment trades, etc. which are not included in the above totals. The Empire State Building, tallest structure in the world with 50 floors vacant, is also not included.

As a result of the great expansion in office space, through new speculative building, chiefly in the Grand Central and Plaza areas between 1920 and 1929, of from 28,140,427 square feet in September 1917, to 60,109,874 square feet in September 1937, there was a total addition of 31,964,447 square feet of rentable area. In these districts also vacancies increased from 2,370,625 square feet on September 1st, 1927 to 10,450,400 square feet on September 1st, 1937. Occupancy did increase in that period from 25,769,802 square feet in 218 buildings in 1927 to 49,659,474 square feet in 370 buildings in 1937 or nearly 100 percent but it could not increase fast enough to absorb the great increase in the supply of office space.

Meanwhile rents declined from an estimated average of $3.50 a square foot in 1929 to $2.00 a square foot today, so that the estimated rental value of the 49,659,474 square feet of 1937 was only 10 percent more than half that

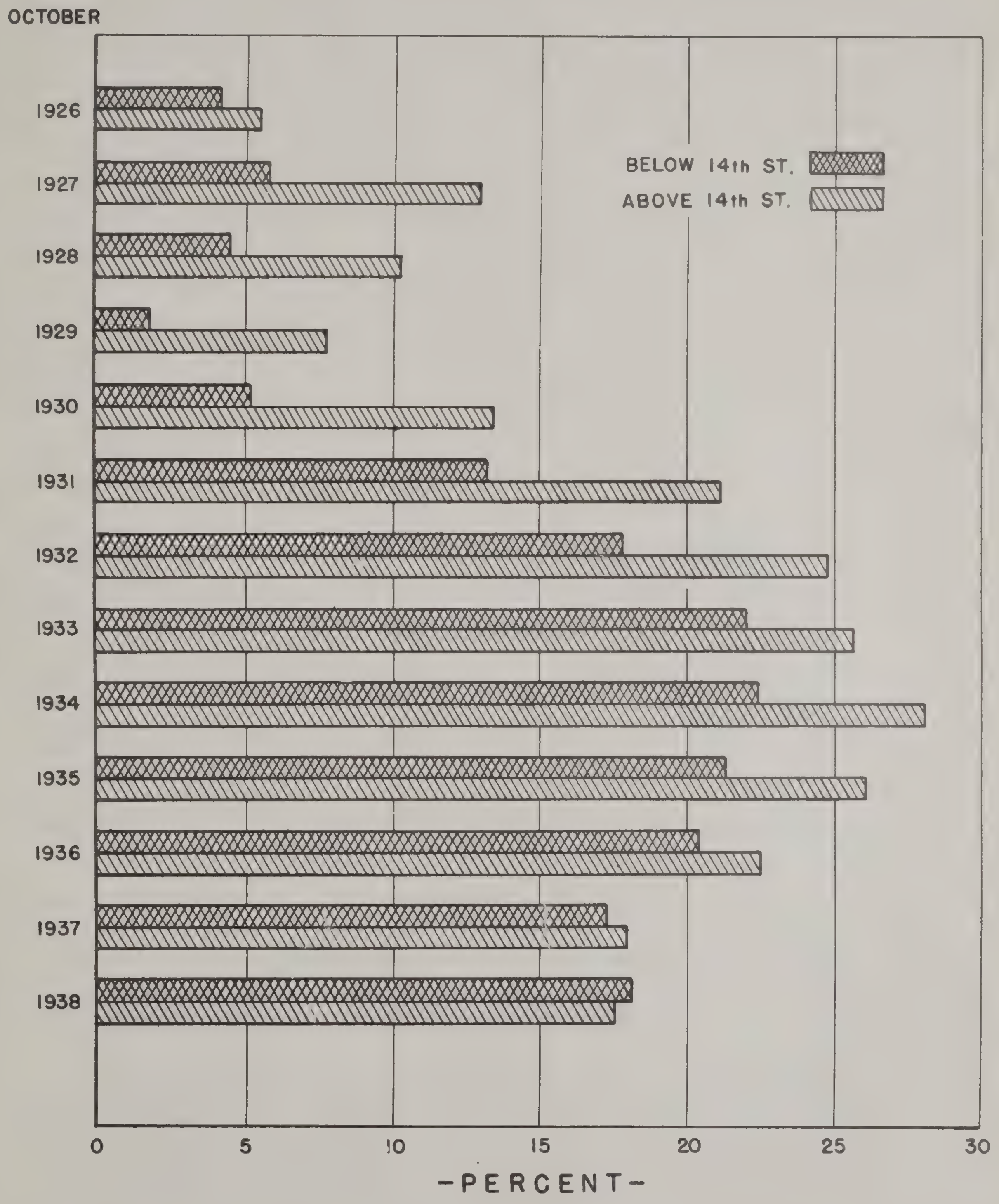
amount of space in 1927. Price space has fallen from $6.00 a square foot to $2 or $2.25 a square foot.

The occupancy in the Grand Central area declined from 95 percent in 1926 to 71.7 percent in 1934 and it has since recovered to 83 percent, even though no addition to existing space has been made since 1932.

This is shown by the following table, giving the occupancy and annual addition of rentable office space in the Grand Central area.

Year	Millions Sq.Ft. Added	Percentage of Occupancy
1925	.8	94.3
1926	2.5	94.8
1927	.4	92.5
1928	2.3	90.0
1929	2.9	92.5
1930	.4	89.7
1931	2.3	84.3
1932	.1	78.5
1933	-	75.6
1934	-	71.7
1935	-	72.7
1936	-	75.1
1937	-	75.1
1938	-	78.8
1939	-	81.5

PER CENT OF RENTABLE OFFICE FLOOR SPACE VACANT IN THE BOROUGH OF MANHATTAN



Based on data of
NATIONAL ASSOCIATION OF
BUILDING OWNERS AND MANAGERS

LONG-RANGE STUDY
INSTITUTE OF PUBLIC ADMINISTRATION
NEW YORK CITY

OFFICE, LOFT AND THEATRE DISTRICTS

3. THE THEATRE

THE THEATRE

LEGITIMATE THEATRE. The legitimate theatre district in Manhattan is from 39th to 52nd Street, Sixth to Eighth Avenues. There is no reason to believe the legitimate theatre will move from its present location but there is now an excess theatre capacity. From 1910 to 1928 the number of first class houses increased from 35 to 71, and the seating capacity from 35,000 to 71,000, a decline in the number of inhabitants per seat from 137 to 92. In the boom year 1927 to 1928, 67 houses showed an average season of 37 1/2 weeks, being open a total of 2516 weeks. There were 78 theatres available during this time when 57 could have handled all the shows on an average season of 44 weeks. This was an excess of 40 percent.

With broadcasting, motion pictures, and some demolition, today there are about 45 legitimate theatres open in New York with a seating capacity of 46,000. An authority in the business estimates that 30 would be sufficient at this time. Therefore, today, on that basis there are 15 too many, or about 50%. In terms of the entire industry, the situation is slightly worse than in 1928.

Prior to the depression, a theatre could yield a landlord profits greater than almost any form of real estate investment. With a cut of receipts of 40% on a hit averaging $20,000 to $30,000 a year or more a theatre owner could reap large profits.

Thus theatres were overbuilt on plots where the cost, both in site value and taxes, was steadily driven higher by competition for desirable locations in congested centers. Most theatres are expensive one-story buildings on extremely valuable ground, subject to heavy mortgages and taxes. The plot was usually too small. Stage space was reduced to a minimum, too shallow to set scenery, shift

(1) This section is chiefly adpated from a report by Mr Robert W Shephard in the Bowery Savings Bank's Mortgage Portfolio Survey of Manhattan, April 1940.

it or light it, without a maximum waste of time and labor. The landlord was selling site value. His calculations were based upon getting as many seats as possible with a minimum stage on the smallest piece of expensive real estate that could hold them. Narrow aisles, bad sight lines and lobby space so inadequate the patrons spilled out on the streets were not unusual.

This specialty real estate type has collapsed as any other based on high rentals and inflated land value. Most theatres today cannot earn their carrying charges. Even in boom days, only 28 houses were open 40 weeks or more. The sure fire popular appeal accompanied by "big money and easy money" has been drained off to the movies. The potential audience has been reduced to a sophisticated minority far more difficult to please than formerly.

Roughly about 35 "legits" have been forclosed which includes those converted to movies, demolished or used for broadcasting. Today there are 10 or 12 owned by institutions. The market is wide open on prices and terms.

Motion Picture in Manhattan The motion picture really came into its own in New York City as a premier amusement attraction with a showing of "Quo Vadis" at the Astor theatre in 1913. As the movies grew, legitimate theatres were converted into motion picture houses.

The motion picture theatre centered in the Times Square amusement area, where about one quarter of Manhattan's movie houses are located.

The talkies, beginning with the "Jazz Singer" in 1927 dealt the legitimate stage another hard blow. New and larger motion picture palaces were built. The Roxy (1927) had 6200 seats and the Music Hall (1932) an equal number. The Music Hall is said to gross $90,000 to $100,000 a week, the Roxy from$50,000 to $75,000, the Capitol from $40,000 to $75,000, the Rivoli from $20,000 to $40,000. The Music Hall in particular is a mecca for out-of-town visitors.

The motion picture in general may be said to be decentralizing in its effect because the best pictures can be seen finally at outlying theatres.

However, the fact that the first run pictures are shown in the big theatres in the main theatre district, offsets to a slight degree the decentralizing influence of the motion picture.

There are, however, 708 open motion picture houses in New York City of which 212 are in Manhattan. There are only 50 of these in the Times Square amusement area. It is to be noted that these are the largest theatres and that there are ten times as many theatres outside the central amusement area than inside it, and many more seats. It is estimated that Manhattan grosses 36-1/2 million dollars a year out of a total for New York City of 170 million dollars. While practically all the revenue from legitimate theatres was concentrated in Manhattan, only 20 percent of the revenue of the movies was concentrated in the island. Nevertheless, on account of the high assessed value of the land in Manhattan, the 307 theatres on the island are assessed at 61.6 percent of the total assessment for all theatres in New York City in 1940. The land under these Manhattan theatres is assessed at $93,373,500 while the buildings are assessed for $41,427,000.

OFFICE, LOFT AND THEATRE DISTRICTS

4. LOFT BUILDINGS IN MANHATTAN

LOFT BUILDINGS IN MANHATTAN

Loft buildings are used for light manufacturing or for a combination of office and show room purposes.

The Loft buildings in Manhattan are chiefly concentrated south of 42nd Street. Within this huge concentration there are a great many sub-concentrations or sections in which are centered particular kinds of business. Among these (to name only a few) are (1) the coffee district, located along the East River near the financial district; (2) the leather district, located just below the Brooklyn Bridge; (3) the hardware district, along lower Lafayette Street; (4) the shoe district, around Church and Duane Streets; (5) Men's hats and caps along Broadway below 8th Street; (7) Women's underwear, along Madison Avenue in the upper 20s and lower 30s; (8) the fur district, from 6th to 8th Avenues, from 26th to 31st Streets and (9) the garment district from 6th to 9th Avenues, from 35th to 39th Streets. There are sub-sections within these sections. The houses selling the highest priced dresses,for example, are on Broadway and 7th Avenue. The cheaper dress houses are in the side streets, with houses selling comparable merchandise tending to locate in the same block, sometimes in the same building. The contractors are generally located between 8th and 9th Avenues. The reason for this concentration is for the convenience of buyers. If one concern is too far from his competitors a buyer may not take the trouble to stop in to see the line.

MIGRATION OF THE GARMENT INDUSTRIES

The garment industry started in New York about 1880, and its origin may be attributed largely to the perfection of the sewing machine. Prior to that time there was no mass production in Women's wear. The industry started in the Lower East Side on Allen and Grand Streets. The earliest establishments had their showrooms and salesrooms in stores and did their manufacturing upstairs. The business prospered and by about 1890 expanded into nearby streets - Division Street, east of Broadway and the Bowery. At first it was a retail proposition but

gradually some of the firms started to sell wholesale also. The firms which were not able to get upstairs space in the buildings in which their stores were located were forced to take lofts in the remote sections of the Lower East Side for manufacturing, or to farm their work out to contractors who either had lofts or had the work done by workers in their homes. These were the infamous "sweatshops".

In the early 1890's the congestion became so great, due partly to the expansion of the wholesale end of the business, that a number of firms moved West into the section between Franklin and Canal Streets and Lafayette Street and West Broadway. Between 1895 and 1900 the wholesale business became so important that many firms now abandoned the retail trade entirely. The firms which decided to concentrate on the retail end remained in their original locations on Grand and Division Streets and East Broadway. Even today some of these firms remain on these streets, but their business has gradually dwindled into a small volume.

About 1902 the coat and suit houses became crowded and began to cross Canal Street and go up Broadway, to be followed by many of the other firms. This migration went as far north as 8th Street and overflowed into the side streets, and it was only a few years before the accommodations became insufficient and the march had reached 14th Street. About 1910 the advance guard crossed 14th Street and the march was on again. This time the industry took over the area up to 23rd Street, from Madison to 6th Avenues, the better houses locating along Madison Avenue and the cheaper houses to the West. By this time the ILGWU (International Ladies Garment Workers Union) had become established and by strikes had won better working conditions and wages. The sweat shops were a thing of the past. Even so the industry prospered and continued to expand. Power machinery reduced costs as an offset against increased wages.

About 1914-1915 some of the better houses crossed 23rd Street and started up Madison Avenue to 33rd Street to be followed shortly by the bulk of the trade in the area to the West. By this time property owners in the Fifth-

Madison Avenue area began to worry. The migration was headed their way at a fast pace. They had seen what the invasion had done to retail store values on lower Fifth Avenue when the garment workers went out for their "noonday stroll." They so congested the sidewalk that it was practically impossible to pass. Agitation brought zoning changes which destined their final expansion to the northwest into the area in which the industry is now located. This final migration in the city started about 1918 and continued until the middle 20's, by which time the industry was highly centralized in the area between Broadway and 9th Avenue from 35th to 39th Streets.

It must also be remembered that as the garment industry moved, it caused many closely connected businesses to tag along, including silk, buttons, trimmings, furs, etc., which added to the complexity of the situation.

The Graphic Arts Industries in Manhattan

The graphic arts industries include paper, publishing, printing, lithographing and many very closely allied trades. We have chosen them for study because: (1) they comprise the second largest industry in the City; and (2) they are the largest user of heavy manufacturing space. Printing is the backbone of this group of industries.

The art of printing is an old one, but it did not grow out of its infancy until the early 19th Century and it did not reach adolescence until the last quarter of the century. Its early development in this country was tied up with the newspapers. In 1800 when Manhattan had a population of 60,000 there were 8 newspapers with a combined circulation of about 10,000 all of which were single sheet affairs printed by hand on wooden presses. In 1845 R. Hoe of New York, to help meet the increased demand for newspapers, invested the first multi-feed mechanically driven (steam) press, with a capacity of 20,000 sheets (printed on one side only) per hour. It was an immediate success here and in England. In 1865 Bullock of Philadelphia invented the first successful web press (printed

from a roll instead of single sheet) that printed both sides simultaneously and out end folded the paper after printing. It was about 1875, however, before it was perfected to the foolproof stage.

The early newspapers also engaged in job writing, but with the rapid growth of their circulations, they confined themselves more and more to the newspaper business. Meanwhile corresponding improvements had been made in cylinder presses (for book, magazine and job printing) and the printing business began to expand. The linotype and monotype were invented in 1885 and 1887 and these, together with improvements in the manufacture of paper which substantially reduced its cost, set the stage for the 20th Century boom.

Special buildings were not necessary for printers until the introduction of the heavy power driven presses. At first printing establishments were in basements and specially braced stores, but when the demand became great special buildings were put up. They were all in the same section - known as the "Swamp" - just above and below Brooklyn Bridge and near "Newspaper Row" (Nassau Street and Park Row). Here they remained for years and many of them are still there.

Up until 1910 the only office building center was in the financial district, but shortly thereafter office sections were created at Times Square and in the Grand Central district. The general trend of business was uptown. The advertising business (a large user of printing) came into prominence. The printing business was expanding rapidly, and there were no more suitable buildings available in the "Swamp", so in the years 1911 to 1916 eight or ten specially built fireproof printing buildings were erected in the 20's and 30's between 7th and 10th Avenues - a location that was convenient for firms catering to an uptown clientele, and yet where land values were low enough to make building profitable. Also at about the same time, 4 or 5 buildings of the same type were erected on Lafayette Street just above and below Canal Street. Up until the 1920's these were the only new printing sections created, although there were a few buildings

put up in isolated sections. Although these buildings are 25 to 30 years old, they are still occupied largely by printers. Printers as a rule don't move often because it costs them, on the average, a year's rent to do so.

In 1925, the first of the speculative loft buildings was erected in the Varick Street section. It was the builders idea to cater to some of the printers still located in holes in the wall in the "Swamp." The building was so successful (although less than 50 percent of the space was taken by printers) that it was 100 percent rented by the time of completion. It was of reinforced concrete and of good design, and could be rented so cheaply that it attracted other heavy manufacturing lines. The success of this building prompted the same builder to put up three more buildings in the area, and when they, too, were successful nine other builders went into the field, each one of whom erected from one to three buildings between 1926 and 1930. All those completed before the crash rented quickly, and as was the case in the first building, less than 50 percent of the tenants were in the printing and allied trades. The space was good and so cheap that even office tenants were attracted to the section.

Practically the same story was repeated in the area between 44th Street and 47th Street, east of Third Avenue. A building was put up on 45th Street in 1927 to house firms in the printing and allied trades which catered principally to the advertising agencies. This building was an immediate success, so other builders rushed in and put up half a dozen similar structures which were generally successful, although the tenantry was composed of many other types of tenants. The rents in this area, however, were about 50 percent higher than Varick Street, because of land costs, and the fact that the buildings were generally brick and steel instead of concrete which was about 30 percent cheaper to build.

LOFT VACANCIES

The experience of loft buildings during the depression has been analogous to the experience of apartment houses or any other type of building for very similar reasons.

According to surveys made by the Real Estate Board of New York for the period 1929-1939, loft buildings reach their low point in occupancy in the Spring of 1933 when vacancies reached about 21 percent. The decline from 1929 was comparatively slow due to unexpired leases, the gradual liquidation of financial surpluses, and the slowness of people generally to realize the seriousness of the depression. Starting from this low point in 1933 there was a steady improvement until the Fall of 1937 when a leveling-off occurred at the time of the "recession" at about 7 percent which has been a fairly constant rate since then. The Real Estate Board's surveys however, include no figures for areas which are generally considered as heavy manufacturing areas. From what information we have been able to get from informed sources, the vacancy graph for heavy manufacturing buildings would be very similar. Omitting specialties like the Butterick Building and obsolete type buildings, the heavy manufacturing buildings made a slightly better showing. Some of the reasons heavy buildings held up better are: (1) Leases are for longer periods, frequently from 10 to 20 years; (2) It may cost a heavy manufacturer a year's rent to move and this has to be paid in cash; (3) The average heavy manufacturer has a large sum invested in machinery which is the basis for his future livelihood. He prefers moving into a cheaper apartment and otherwise reducing his living costs to seeing his investment wiped out; (4) The small amount he might save by moving into an inferior building might be more than off-set by inefficient operation.

As in vacancies, rents in heavy manufacturing buildings held up a little better than in the light and non-manufacturing buildings. In the garment district rents today are on the average 50 percent of the pre-depression level. Space in the Broadway and 7th Avenue buildings can be had for $1.10 and space in the side streets for fifty cents a foot and in some cases less. Space in the non-manufacturing lofts on 4th Avenue rent for fifty cents and the same

is true in the other light manufacturing districts. In the Varick Street section, however, in the heavy buildings erected after 1924 (which makes a fair age comparison with most of the garment district) the rents have dropped much less. The 1929 average was about 75 cents a foot, and the prevailing rate today is between 50 and 60 cents, depending on the floor and the size of the unit, or an average drop of about 26 percent. In one of the largest and best buildings in the section, rents average better than 62 cents with close to 100 percent occupancy, a drop of only 16 percent.

In the matter of operating expenses, the experience has been much the same in all types of lofts. General operating expenses have increased about 25 percent of which direct and indirect labor charges constitute the principal part. Payrolls alone are up 30 percent to 40 percent. In some sections, notably the garment section, it has become general practice for building owners to erect and paint showrooms and do other work as an inducement to tenants which in good times was done by the tenants. In buildings where this is done, the operating expenses may be as much as 50 percent more than in pre-depression years.

In some other respects, however, the heavy loft buildings have an advantage. In the first place, their tenantry is more diversified and hence less subject to feel dips in the business cycle all at the same time. Also since heavy machinery is a stabilizing influence, there have been fewer business failures and a smaller turnover. Failures in the garment industry, on the other hand, are very high, as it is a very speculative business. A man can start on a shoestring by renting his machines or having the manufacturing done on contract, and if his line "clicks" (either because of a good designer or by pirating the right models of others) he can make a fortune in one season. If he fails, he goes into bankruptcy, perhaps to try again the next season under a different name.

THE MIGRATION OF BUSINESS OUT OF MANHATTAN

There has always been during the last 25 years or more a certain number

of firms which have moved out of town for various reasons. As a rule, the rent item for any going concern is such a very small percentage of its manufacturing costs that the amount saved by going out of town is not the determining factor. In many cases firms have moved out because they were unable to obtain satisfactory quarters in Manhattan, because of a broadening of their market, because they could operate more efficiently out of town for any one of a number of reasons. The Northam Warren Corporation, manufacturers of "Cutex" and "Odorono" now located on Varick Street, are building a new factory in Stamford, Connecticut. They have twice outgrown factories in Manhattan in a comparatively short time due to the phenomenal growth of their business. They are moving out because: (1) they couldn't find what they wanted here; (2) their business is so nationwide that a Manhattan location is not essential; (3) in an out-of-town location they can have extra land for future expansion so that another costly move won't be necessary. Practically every important magazine with a nationwide circulation is printed out of town, especially in the Middle West, although the executive, editorial and advertising offices may still be in Manhattan. They moved out of town before the depression and one of the important considerations was the postage saving. For the same reason the big mail order houses started in the middle west.

There is apparently very little if anything that could be done to keep such concerns in New York. Something can and should be done, however, to keep in the City concerns which belong here and want to be here, but which are nevertheless moving away. For example, let us consider the needle trades (coats, suits, dresses, underwear, etc.). They have been moving out of town in alarmingly large numbers, not because they wanted to, or because they could operate more efficiently there, but because the labor situation became intolerable in Manhattan. Unions also have been subject to racketeering. One manufacturer can make a deal with the union while a competitor who makes the same sort of merchandise can't do so well. Petty annoyances and frequent strikes over alleged contract violations

have made the manufacturers desperate, with the result that many have already moved and more will move, in spite of the fact that New York offices will have to be maintained, and the employers will have to shuttle back and forth between the office and the factory.

New York is traditionally the center for the dress business. In 1934 impartial surveys indicated that 69 percent of all dresses made in the United States were made in the New York area. The same surveys for 1937 indicate the local percentage had fallen to 60 percent and it is going lower. The dollar volume (of dresses at wholesale) in the New York area is estimated to have fallen off over $200,000,000 since 1937 and this amount has gone to the out-of-town firms.

Labor has the biggest stake in the garment business, because labor gets about 40 percent of the wholesale price. When a dress manufacturer goes out of town, he doesn't take the super labor conscious New York help. Small towns welcome a manufacturer with open arms, especially if they employ local labor. They are eager to develop local industries to reduce the relief load and bring back prosperity and don't take kindly to union interference. A strike is easy on 7th Avenue but an entirely different matter in the hinterlands.

OFFICE BUILDING OCCUPANCY OF THE CENTRAL BUSINESS AREA IN NEW YORK CITY - 1924-1940 (1)

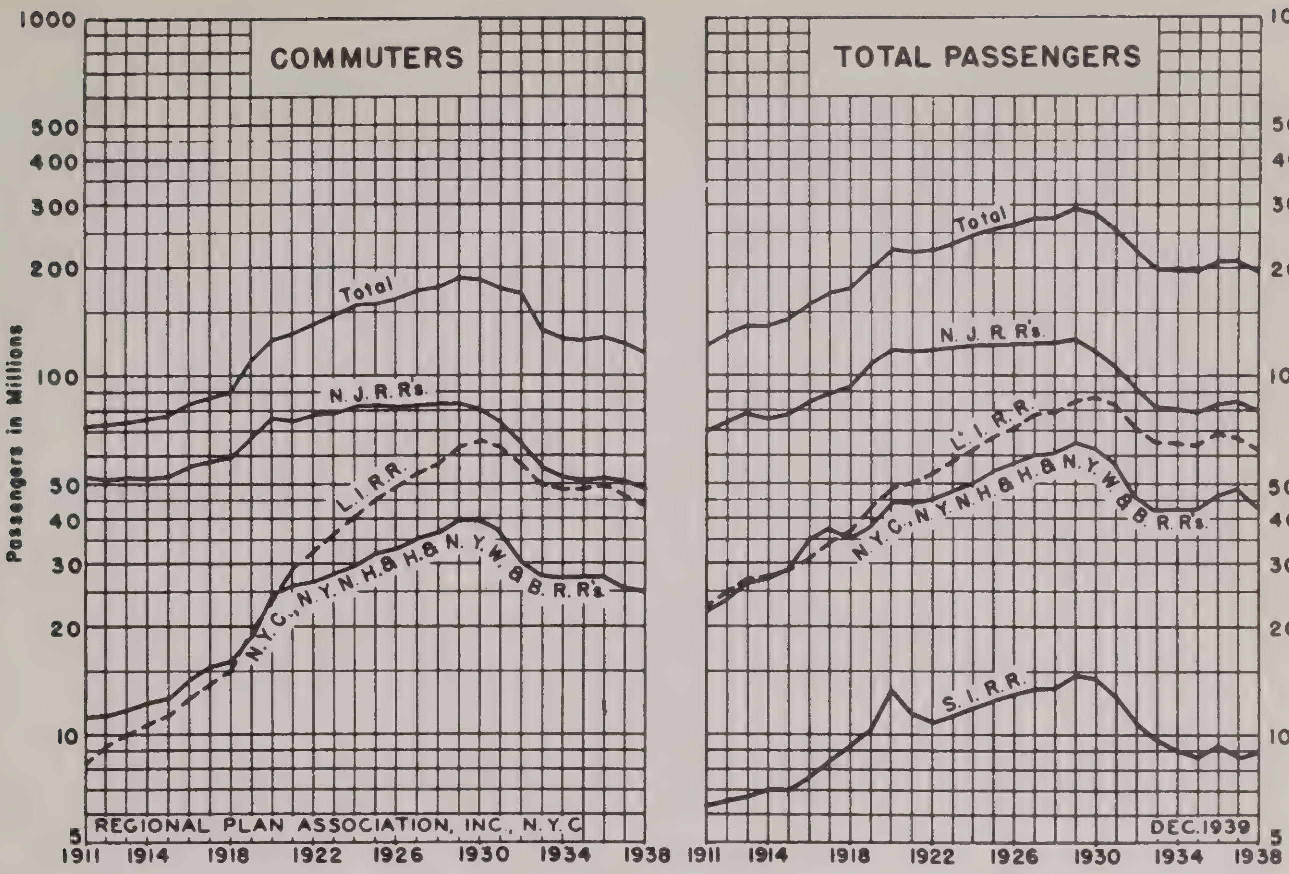
Date of Survey	Financial Dist.	Insurance Dist.	City Hall Dist.	Grand Central Dist.	Plaza Dist.	Times Square Dist.	Columbus Circle Dist.	All Dist.
				Percent Occupied				
Feb. 1925	93.7	95.6	95.5	93.9	District not previously surveyed	District not previously surveyed	District not previously surveyed	94.0
May "	90.7	95.0	94.9	93.6				91.7
Oct. "	94.7	95.2	95.1	95.4				95.0
Jan. 1926	96.5	95.8	95.7	96.7				95.2
Apr. "	96.9	95.3	95.1	96.8				95.5
Oct. "	96.9	95.4	95.0	96.8				95.8
Jan. 1927	97.2	95.5	95.4	95.1				95.8
Apr. "	97.5	95.4	95.2	95.2				95.7
Oct. "	96.7	95.5	94.7	87.1				92.0
Jan. 1928	96.8	95.5	94.8	88.9				89.2
May "	96.4	95.4	95.0	90.2				93.5
Oct. "	96.9	95.8	95.2	91.0	89.3		75.0	93.6
Jan. 1929	97.8	96.8	96.7	92.8	91.2		81.6	95.3
May "	98.8	97.8	94.5	91.5	92.0		86.0	94.0
Oct. "	99.1	99.0	96.6	93.2	85.8		93.6	95.9
Jan. 1930	99.1	97.4	94.3	93.1	85.9		92.1	95.7
May "	95.6	97.0	88.8	88.0	75.3		91.8	91.1
Sept. "	95.5	97.7	90.5	88.1	71.7		92.8	91.2
Jan. 1931	96.1	97.4	90.7	88.5	68.7		90.6	91.3
May "	87.0	85.1	86.8	82.7	57.7		87.2	83.6
Sept. "	87.1	86.3	86.2	81.7	60.6		86.0	83.5
Jan. 1932	86.7	86.9	85.0	80.2	62.1		83.1	82.7
May "	83.1	83.3	83.1	78.1	55.0		80.7	79.7
Sept. "	82.1	82.6	82.8	77.1	56.5		80.5	79.4
Jan. 1933	81.4	82.9	82.2	76.9	59.3	73.3	77.1	78.6
May "	78.3	76.2	77.0	74.8	60.6	72.0	77.8	75.8
Sept. "	78.6	75.6	78.5	75.0	66.4	76.8	75.8	76.6
Jan. 1934	78.8	75.9	78.4	72.1	64.5	78.2	74.7	75.2
May "	78.6	76.2	78.6	70.9	65.7	78.8	73.3	74.8
Sept. "	79.4	75.5	77.1	72.0	68.8	80.8	73.4	75.7
Jan. 1935	79.4	77.0	77.2	72.9	70.0	82.8	73.1	76.2
May "	78.3	77.4	75.2	72.2	62.8	82.5	74.6	74.9
Sept. "	79.8	78.0	75.9	72.9	71.8	83.3	73.9	76.5
Jan. 1936	79.7	78.4	76.8	74.3	73.0	85.9	73.9	77.2
May "	79.6	78.9	78.2	75.1	76.5	86.5	73.1	77.7
Sept. "	80.2	79.1	79.1	75.8	79.2	86.2	74.5	78.7
Jan. 1937	81.5	76.8	80.0	77.0	81.1	87.0	76.5	79.8
May "	83.0	81.7	80.0	79.0	82.8	87.3	79.1	81.5
Sept. "	83.5	82.5	81.0	80.5	86.0	87.6	79.6	82.6
Jan. 1938	83.6	83.8	80.9	81.0	87.3	88.6	81.0	83.1
May "	81.4	83.8	81.1	80.1	87.7	90.1	76.3	82.1
Sept. "	81.7	84.1	81.6	80.5	87.9	88.7	76.6	82.3
Jan. 1939	81.2	83.8	81.8	81.5	90.0	88.9	77.4	82.7
May "	80.5	83.3	82.3	81.0	90.2	88.7	79.0	82.4
Sept. "	80.4	83.5	82.7	81.5	89.2	89.3	79.2	82.5
Jan. 1940	81.9	84.1	82.8	82.2	86.4	89.4	80.1	83.0
May "	81.9	84.3	84.5	81.9	87.2	88.6	72.0	83.0
Sept. "	82.6	84.5	84.7	81.6	87.2	89.1	72.1	83.2
Jan. 1941	84.1	85.3	83.5	83.0	90.4	89.9	76.0	84.5

(1) These vacancy surveys cover only the better office buildings; the vacancy rates are considerably higher in older and smaller office buildings on the fringe of the above districts.

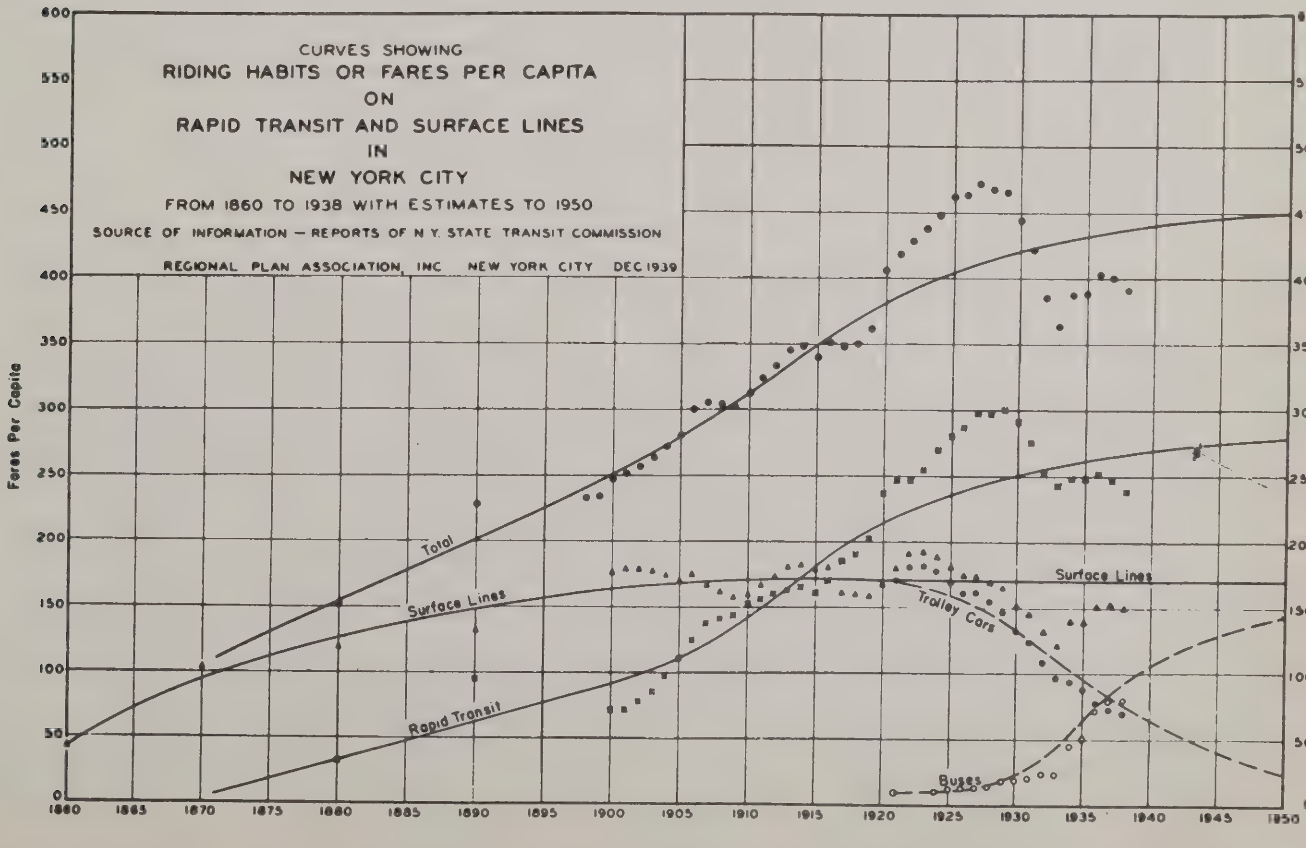
V

TRAFFIC

1. SUBWAY, BUS, STREET CAR AND SUBURBAN RAILROAD TRAFFIC
2. AUTOMOBILE TRAFFIC AND AUTOMOBILE HIGHWAYS, BRIDGES AND TUNNELS



Commuter and Total Passengers Using Metropolitan Terminals, Recorded by Groups of Railroads from 1911 to 1938



TRAFFIC

1. SUBWAY, BUS, STREET CAR AND SUBURBAN RAILROAD TRAFFIC

MANHATTAN TRAFFIC

Subway, Bus, Street Car and Suburban Railroad Traffic (1)

In recent years there has been a sharp decline in the Manhattan passenger traffic in street cars and elevated lines and a rapid rise in the number of persons riding on busses, and on the new municipal subway. There have been moderate declines in traffic on the old subway lines. There has been a sharp decrease in commuting traffic on all the railraods between 1930 and 1939. This change in the riding habits in Manhattan is indicated by the following table:

Passenger Traffic as shown by Fares Collected in Manhattan

	1935	1939	1940	Percentage Change 1935-1940 Gain	Percentage Change 1935-1940 Loss
I.R.T. Subways	511,693,481	474,313,233	478,764,782		6.64
I.R.T. Elevated Lines	166,992,599	121,670,903	100,215,249		40.00
B.M.T. Subways	218,795,196	194,173,751	195,161,208		10.80
City Subways	117,039,732	225,770,421	238,074,035	103.5	
Street Cars	183,238,890	72,689,340	72,946,803		60.17
Busses	94,587,458	326,394,865	333,227,918	252.2	
Hudson Tubes	76,311,146	65,203,362			

The following is the daily average traffic in New York City in 1940:

Rapid Transit Lines	5,461,000
Hudson Tubes	192,000
Street Cars	1,575,000
Bus Lines	2,022,000
Total	9,250,000

In the shifting of transportation habits, there is to be noted a decline in elevated traffic.

The Sixth Avenue elevated line which carried 65,000,000 passengers in 1938, has disappeared and is to be replaced by the new Sixth Avenue Subway.

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(1) Much of the data in this section of the report is from the Bowery Savings Bank Mortgage Portfolio Survey. Prepared under the direction of Mr. E. B. Schwulst, vice president and under the supervision of Mr. Fred H. Allen, April, 1940.

The Second Avenue line, which carried 28,000,000 passengers in 1939 is scheduled for demolition north of 59th Street. The Ninth Avenue Line which carried 17,000,000 people in 1939 has been demolished. The elevated on Third Avenue with 76,000,000 fare total for 1939 is to remain for an indefinite period.

Traffic on the subway division of the I.R.T. likewise declined from 986,672,286 in 1930, to 760,879,379 in 1940 and on the B.M.T. from 714,433,616 to 539,764,476, in the same period. Even with the addition of the new independent subway, the total subway and elevated traffic was nine percent lower in 1940 than in 1930.

Fares Collected in New York City

1930 to 1940
(Millions of Fares)

	I.R.T. Subway	I.R.T. Elevated	B.M.T.	Independent	Total
1930	986.7	347.4	714.4		2,048.5
1931	973.3	327.3	695.2		1,995.8
1932	919.5	293.7	653.8		1,867.0
1933	836.5	247.6	613.0	59.1	1,756.2
1934	810.3	220.6	606.4	161.7	1,799.0
1935	800.7	215.0	598.2	203.0	1,816.9
1936	814.2	217.4	608.9	236.1	1,876.6
1937	799.6	211.3	590.5	289.1	1,890.5
1938	764.2	200.0	550.2	349.8	1,864.2
1939	756.9	169.4	543.1	383.6	1,853.0
1940	760.9	145.6	539.8	410.7	1,856.9

In Manhattan, declines in fares collected on the I.R.T. and B.M.T. were partly offset by a rise in the Independent Subway fares collected from nothing in 1932 to 238,000,000 in 1940, so that the total number of passengers on the I.R.T., B.M.T. and Independent combined declined only slightly from 1936 to 1940. The 1940 volume was 15 percent below the 1930 volume however.

FARES COLLECTED IN MANHATTAN 1930 to 1939
(MILLIONS OF FARES FOR FISCAL YEARS)

	I.R.T. Subway	I.R.T. Elevated	B.M.T.	Independent	Total
1930	644.5	276.4	263.3		1,184.2
1931	630.6	256.0	252.8		1,139.4
1932	590.6	227.4	235.7		1,053.7
1933	525.2	187.5	219.7	58.1	990.5
1934	511.7	167.0	218.8	117.0	1,014.5
1935	502.9	163.0	216.1	140.5	1,022.5
1936	507.8	163.0	217.4	161.0	1,049.2
1937	499.2	157.9	210.2	188.4	1,055.7
1938	479.5	150.3	197.6	211.1	1,038.5
1939	474.3	121.7	194.2	225.8	1,016.0
1940	478.8	100.2	195.2	238.1	1,012.2

There has been a decline in commuting traffic from 196 million in 1930 to 117 million in 1939 - as the following table shows:

COMMUTER TRAFFIC TO NEW YORK CITY, 1930-1939
(millions of passengers)

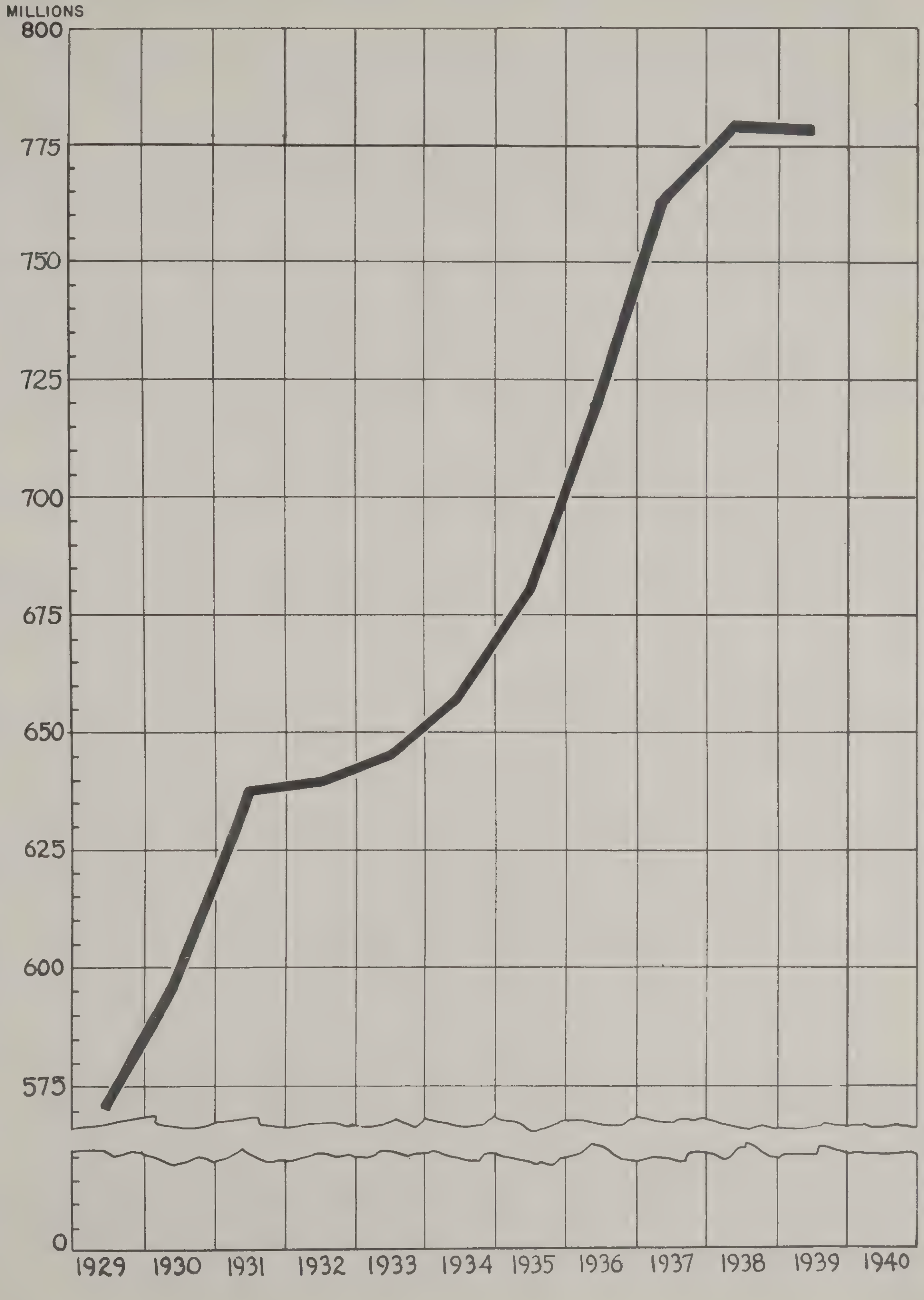
1930	186.3
1931	176.5
1932	153.4
1933	132.9
1934	128.0
1935	126.8
1936	129.2
1937	123.0
1938	117.5
1939	117.1

The building of the new Independent Subway had an undoubted tendency to draw traffic away from the Long Island Railroad in Queens and to divert commuters from homes in Westchester and New Jersey to houses in Queens.

TRAFFIC

2. AUTOMOBILE TRAFFIC AND AUTOMOBILE HIGHWAYS, BRIDGES AND TUNNELS

PASSENGER AUTOMOBILE REGISTRATION
NEW YORK CITY



SOURCE:
N. Y. STATE TAX COMMISSION

INSTITUTE OF PUBLIC ADMINISTRATION
NEW YORK CITY

AUTOMOBILE TRAFFIC AND AUTOMOBILE HIGHWAYS, BRIDGES AND TUNNELS (1)

While subway and commuting railraod passenger traffic in and out of Manhattan has declined from 1929 to 1939, the number of passenger automobiles at five selected groups of crossings (upper Bay ferries, Hudson River Crossings, Staten Island Crossing, Harlem River Bridges, and East River Bridges) has steadily increased from 11,910,000 in 1915 to 144,279,000 in 1929 and to 163,530,000 in 1937. Data since 1937 are available only for Hudson River crossings, which show a continued rise from 34,267,000 in 1937, 34,992,000 in 1938, 37,858,000 in 1939, and to 39,414,000 in 1940.

The rapid rise in the automobile traffic of Manhattan, which prior to 1927 was due to the increasing ownership of automobiles, has continued in the past decade as a result of the opening of the Holland Tunnel, the Lincoln Tunnel, the George Washington Bridge, and the Triborough Bridge.

In 1928, the first full year of operation of the Holland Tunnel, 8,745,000 vehicles passed through. This figure rose to 12,067,000 in 1930, and after a slight decline to 10,787,000 in 1934, advanced steadily to 13,079,000 in 1937, and to 13,330,000 in 1939 - a new peak. Traffic on the Lincoln Tunnel increased from 1,791,000 vehicles in 1938 to 2,835,000 in 1939. The number of vehicles crossing the George Washington Bridge increased from 5,510,000 in 1932, the first full year of operation, to 7,951,000 in 1937 and to 8,063,000 in 1939 - a new peak.

Such increased automobile traffic through Manhattan has been made possible only by the expenditure of great sums of money on bridges and tunnels. The Port of New York Authority, the Triborough Bridge Authority, and the New York City Tunnel Authority have spent $350,000,000 in providing new transportation media to

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(1) From N. Cherniack of the Port of New York Authority

Manhattan for automobiles. The Port of New York Authority owns $213,000,000 worth of toll bridges and tunnels, including the George Washington Bridge, the Holland and Lincoln Tunnels, connecting New Jersey with Manhattan, and the Bayonne Bridge, Goethals Bridge and Outer Bridge Crossing connecting New Jersey with Staten Island. The Triborough Bridge cost $60,000,000. The new Queens-Midtown Tunnel, built by the New York City Tunnel Authority, has just been completed at a cost of $58,000,000. The same Authority is about to begin the construction of the $70,000,000 Battery-Hamilton Avenue Toll Tunnel.

All of these projects are partly or entirely self-liquidating through tolls, but these tolls add to the cost of living and doing business in Manhattan. A charge of $1 a round trip a day for a passenger automobile at the Holland Tunnel or George Washington Bridge is a significant factor in transportation cost. Today motorists in New York pay annually $21,000,000 in tolls to cross these bridges and tunnels.

In addition State and City Departments have spent nearly $300,000,000 for arterial express ways and parkways, to feed and distribute the traffic of the bridges and tunnels of these authorities. Thus, the New Jersey State Highway Department spent some $75,000,000 to build New Jersey State routes connecting the Holland Tunnel and the George Washington Bridge with Central New Jersey, its mountain and lake regions, and its major recreational highways to the south and west. Included in this program was the famous Pulaski Skyway which cost about $19,000,000 and the Jersey City underpass, costing about $8,500,000.

After completing the first tube of the Lincoln Tunnel, the Port Authority itself spent about $18,000,000 additional to construct the Union City Express Highway through the Palisades as a feeder highway to this tunnel, and only now, almost three years after the tunnel has been in operation, the New Jersey Highway Department is about to start building essential highway routes connecting the

Lincoln Tunnel with the New Jersey State Highway system.

The Queens-Midtown Tunnel has prompted the Borough of Queens to construct express highways connecting this tunnel with the major highways and parkways of Manhattan.

The West Side Highway in Manhattan, connecting with Henry Hudson Parkway running north cost about $50,000,000. Manhattan's East River Drive will cost $40,000,000.

In the Borough of the Bronx an extension of the Hutchinson River Parkway is being built to connect directly with the Bronx-Whitestone Bridge.

The Westchester County Park Commission has built out of county funds at an aggregate cost of some $65,000,000, the Bronx River, Sawmill River, Cross County and Hutchinson River Parkways. Their extensions are linked with the Bronx and directly or indirectly with the Merrit Parkway in Connecticut.

The Long Island State Park Commission has built $19,000,000 worth of parkways leading to beaches, parks, golf courses and other recreational facilities. The New York City Park Department has recently completed a $30,000,000 Belt Parkway skirting the Boroughs of Brooklyn and Queens, which will also serve the Bronx-Whitestone toll Bridge, the Cross Bay toll Bridge, and the Marine Parkway toll Bridge, all operated by the Triborough Bridge Authority.

To get across Manhattan quickly, the Port Authority opened the 178th Street tunnel extending the George Washington Bridge via this tunnel across upper Manhattan to connect with the Harlem River Drive, a "limited way" running down to 155th Street. Eventually this driveway will be linked to the East River Drive giving motorists a continuous, limited access route down the East shore of Manhattan Island to the Battery.

Cross-Manhattan tunnels and viaducts have also been proposed uptown at 125th Street, in Midtown Manhattan in the vicinity of 38th Street to connect the

Lincoln and Queens-Midtown Tunnels and also to give local traffic a trans-Manhattan express route. A connection is also being considered in the vicinity of Canal Street between the Holland Tunnel and the West Side Highway on the west, and the Williamsburgh, Manhattan and Brooklyn Bridges on the east. These would provide continuous east and west express routes from New Jersey across Manhattan to Queens and Brooklyn.

The rapid growth of automobile traffic in Manhattan which has been made possible by these new bridges and tunnels has created acute problems of traffic congestion.

Mr Cherniack of the Port of New York Authority emphasises the need of terminal and parking facilities for automobiles, trucks and buses. Pointing out that the largest volumes of vehicular traffic, today, move between communities within metropolitan districts of the nation, he said in an address before the Institute of Traffic Engineers Convention in Chicago on October 8th, 1940:

> "In my opinion, the most effective solution to our cities' traffic problems lies in providing adequate, scientifically designed, efficient highway transport systems. These would readily handle existing interurban highway traffic. They would also release the huge potential volumes of free-wheel vehicular traffic that would be generated by present users of other means of transportation who would prefer to make use of adequate highway transport systems. To achieve such a system, consideration would have to be given to the different types and purposes of vehicles, to different types and designs of highways and to different types of terminal facilities.
>
> "As far as vehicles are concerned, there are first the automobiles which are used about equally for business and for pleasure. Then there are the local franchise buses on city streets operating in different sections of the District, and the interurban buses which are used for local metropolitan mass transportation as well as long distance travel. A distinction must be made between trucks used in connection with local consumer industries, those for metropolitan deliveries, and those for heavy duty distance haulage.
>
> "In the design of highway transportation systems the differences in these vehicles, their varied purposes and the volumes likely to make use of such a system must be carefully considered. A well designed highway transportation system would provide for arterial 'limited way' routes for through traffic between suburban homes and factories, offices

and stores in the central district; parkways running between residential communities and parks, beaches, recreational reservations, etc., major routes with a limited number of intersections at grades for traffic between different communities in the metropolitan area; and minor roads for purely local business and pleasure travel within the community.

"The complete highway transport system too would contemplate a comprehensive plan of terminal facilities akin to a rail, water and airway transportation system. Consideration would therefore be given to the volumes and the different types of traffic that would be delivered to such terminal facilities. It may be of interest here to note that of the millions who have been impressed by the General Motors' Futurama at the New York World's Fair only a few, including students of traffic, have noted the conspicuous absence of terminal facilities, the very facilities required to make these future highways function efficiently.

"Thus terminals and passenger cars must be designed to permit easy, convenient and prompt parking and unparking. They would be located at points within easy walking distances of concentrated points of destination.

"Interurban bus terminals would be located at points within the central business district. They should be, on the one hand, as close to the destinations of the mass of suburban passengers (most of whom are commuters), as is economically practicable. On the other hand, they should not be so close to the central business district as to necessitate any extensive use of narrow congested city streets inadequate for the easy maneuvering of excessively long vehicles. The advantage of 'store door' delivery at destinations in the central business districts, which buses have over railroads, would, in some instances, have to be forgone in favor of bus terminals located within easy walking distances to final destinations or to local transportation. Such advantages would, however, still be retained at the suburban end. Bus terminals for long distance passengers would be especially designed to include baggage and information services, etc., and they would be located within easy reach of hotels, railroad stations, steamship docks and airports.

"Similarly, truck terminals would be provided to handle, efficiently, heavy duty long-distance over-the-road units and their freight. They would be located just off arterial highways so that a minimum use would be made of such city streets as were inadequate to accommodate excessively long freight units. Such terminals would provide a sufficient number of off-the-street loading spaces liberally set back behind the building lines to permit of the backing of the largest over-the-road units now in use. They would be equipped with platforms for loading, unloading and transfer of freight to and from smaller local delivery 'mosquito fleet' units which could freely negotiate the existing street systems. Even though such truck terminals would deprive the over-the-road trucks of their store door delivery advantages in the business districts, they would nevertheless yield liberal economies to both trucker and shipper of freight by reducing wasted travel time of such trucks on the city streets and endless waiting at store doors, inadequate to accommodate these units.

"In this connection, it might also be mentioned that large commercial and industrial buildings would gradually be required to provide a sufficient number of off-street passenger car parking spaces for their resident and transient population, and a sufficient number of well-designed off-street loading spaces for the freight entering and leaving these buildings. Eventually, even in the suburbs of metropolitan areas, it would be necessary to provide adequate garage space in connection with multiple family dwellings, in order to free the streets in the vicinities of intensively built apartment house areas, of undue curb parking by residents, visitors and trades people.

"To protect the highway transport systems from future bottlenecks, the traffic engineer would have to collaborate closely with the city planners. Zoning laws must maintain a proper balance between cubage of industrial, commercial and public buildings (especially these which have been found to be · large generators of vehicular traffic and the capacities of 'limited ways', adjacent streets, and the corresponding terminal facilities.

"In short, as I visualize the future, the American City dweller desires and eventually will get a dependable interurban highway transport system. Families living in suburban residential communities will travel by automobile or bus along easily accessible limited ways, conveniently, continuously, quickly and safely to within say one-half mile of factories, offices or stores in the heart of the Metropolitan District. With a minimum of maneuvering on city streets, they will reach terminals within convenient walking distance of the final destinations or local transportation, if the district is extensive. For pleasure trips on weekends and holidays, highway transport systems would be of sufficient capacities to permit peak exodus to and return from beaches, parks, golf courses, summer communities, and other recreational facilities. All this under normal peacetime conditions.

"And now in preparation for national defense, when travel and shipments via highways are bound to expand, such transport systems should certainly be started soon. Should the nation find itself involved in an actual emergency, no more effective defense measure could be taken than to provide ample super highway capacities that will permit expeditious movement of goods and people into and out of industrial and shipping centers."

ANNUAL VEHICULAR TRAFFIC BY TYPES OF VEHICLES

Handled by five selected groups of crossings and in the New York Metropolitan District

(in thousands of vehicles)

Year	All Types	Passenger	Buses	Trucks	Horsedrawn
1915	30,362	11,910		5,364	13,088
1916	31,792	13,239		6,799	11,754
1917	36,228	17,017		8,527	10,684
1918	42,317	20,995		11,241	10,081
1919	48,506	25,314		14,368	8,824
1920	51,902	28,472		16,628	6,802
1921	64,113	37,018		20,088	7,007
1922	70,922	43,474		21,783	5,665
1923	90,371	60,414		24,374	5,583
1924	101,224	69,168		27,054	5,002
1925	123,209	85,242	238	33,357	4,372
1926	136,979	98,314	333	34,229	4,103
1927	142,417	103,971	454	34,447	3,545
1928	163,795	123,186	688	37,064	2,857
1929	188,295	144,279	919	40,746	2,351
1930	189,411	143,799	1,035	42,811	1,766
1931	188,440	146,980	1,030	38,890	1,540
1932	188,924	149,951	1,140	36,863	970
1933	188,583	147,851	1,213	38,523	996
1934	194,611	154,579	1,263	38,181	588
1935	199,504	161,617	1,579	35,842	466
1936	198,172	153,936	1,936	41,895	405
1937	207,171	163,530	2,134	41,153	353

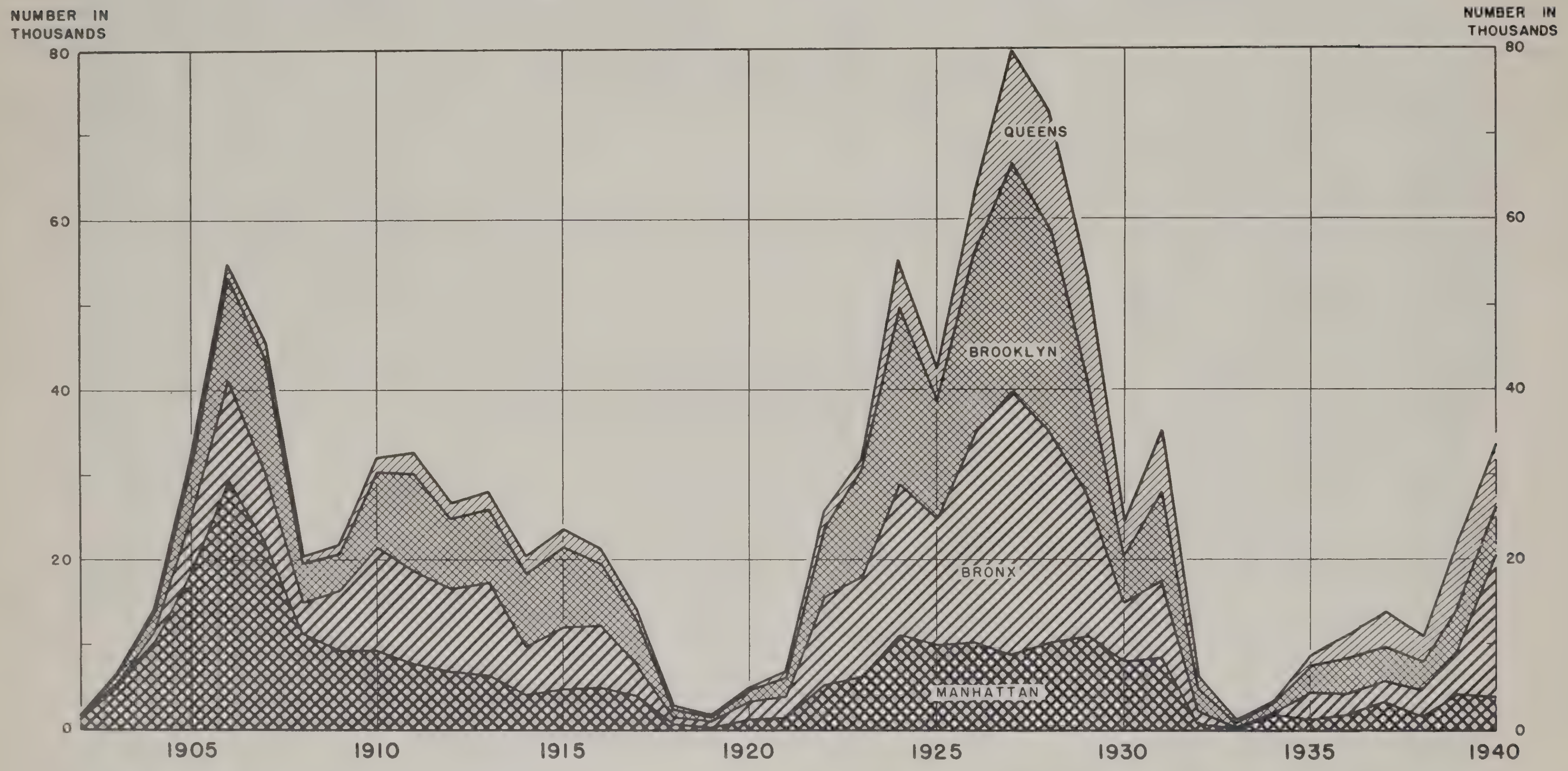
VI

NEW APARTMENT CONSTRUCTION AND VACANCIES IN MANHATTAN

DISTRIBUTION OF NEW APARTMENT UNITS IN NEW YORK CITY BY BOROUGHS[1]

1902-1940

NUMBER OF FAMILY UNITS IN NEW MULTI-FAMILY BUILDINGS[2]



SOURCE:– TENEMENT HOUSE DEPARTMENT OF NEW YORK CITY

NOTE:– [1] *RICHMOND BOROUGH NOT INCLUDED*
[2] *BUILDINGS WITH THREE OR MORE DWELLING UNITS*

NEW CONSTRUCTION OF APARTMENT BUILDINGS IN MANHATTAN COMPARED WITH OTHER BOROUGHS OF NEW YORK CITY

Manhattan had its great peak of apartment building in 1906, just after the completion of the first subways, when 29,465 apartment units were built in that single year. Even the building in the booming twenties did not exceed 11,156 units for any one year, and in the current revival which has been in progress since 1933, only 4,165 apartment units were constructed in 1939, the peak year since 1931. Far more apartment units have been demolished every year in Manhattan since 1932, than have been constructed.

Number of new apartment units constructed--compared with apartment units demolished in Manhattan--since 1932 up to 1939.

Year	Number Built	Number Demolished	Excess Number Demolished
1932	643	1,713	1,070
1933	0	2,566	2,566
1934	1,721	4,053	2,332
1935	1,218	3,923	2,705
1936	1,726	5,948	4,222
1937	3,217	6,623	3,406
1938	1,696	7,748	6,052
1939	4,165	9,233	5,068
TOTAL	14,386	41,807	27,421

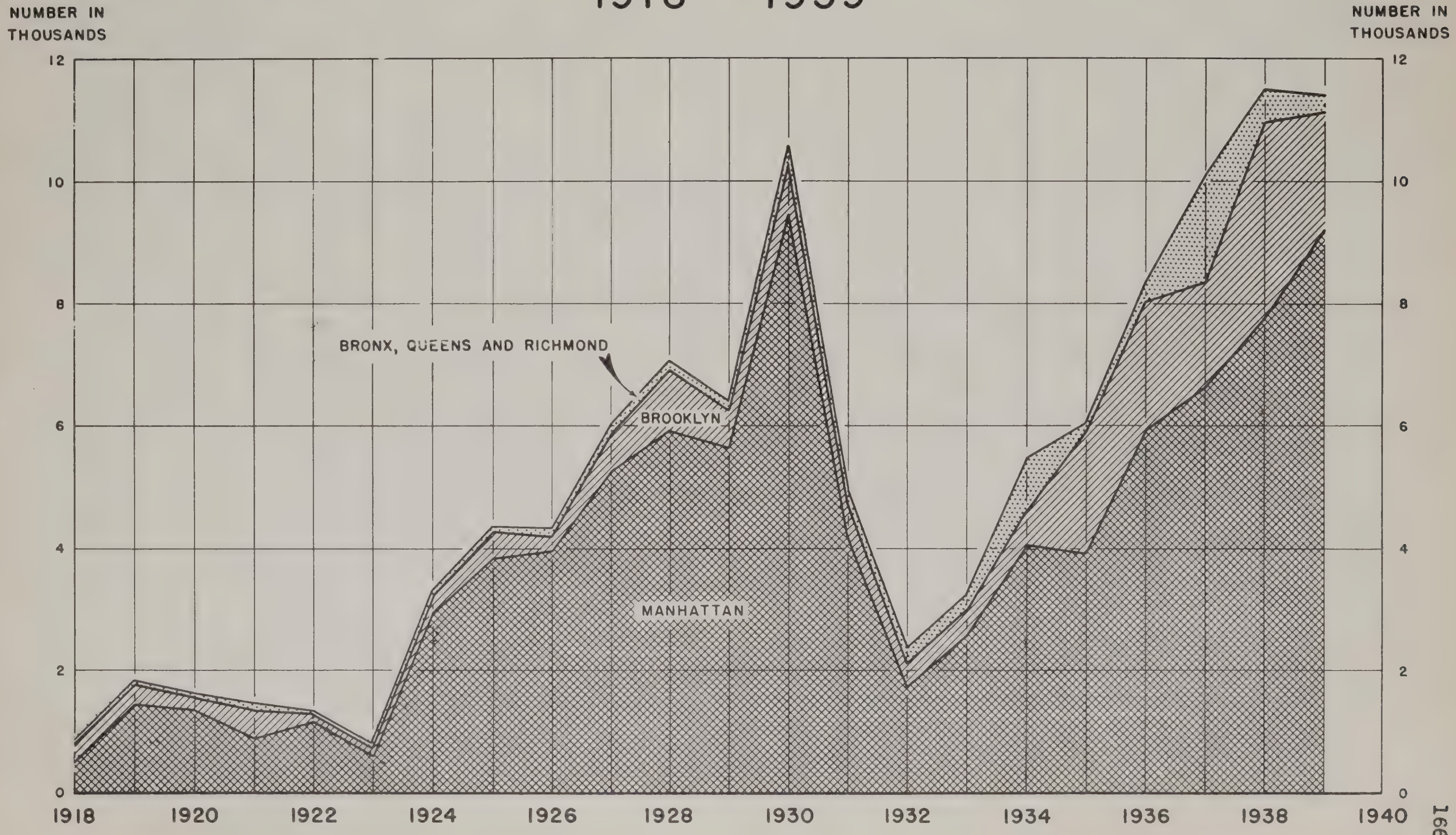
Thus, as a result of demolition of 41,807 apartment units in Manhattan, while only 14,386 were built, there was shrinkage of 27,421 in the number of apartment units in Manhattan in the eight years from 1932 to 1939.

Manhattan has thus entered the declining phase of urban life where the new growth fails to counterbalance decay.

Brooklyn, the next oldest borough, had its first peak in apartment building in 1907, with 13,521 units, but unlike Manhattan, this was topped by the later peak in 1927, when 26,901 units were constructed. In Brooklyn, the new growth of apartment units in the eight years from 1932 to 1939, or 24,039 units, compares with 12,233 demolished, or a net growth of 11,806 apartment units.

NUMBER OF APARTMENT UNITS IN DEMOLISHED BUILDINGS IN THE BOROUGHS OF NEW YORK CITY

1918 - 1939



The contrast between Manhattan and the newer boroughs of the Bronx and Queens is even more startling.

The Bronx had its early peak in 1906, with 11,762 new apartment units, but this was surpassed in 1910 by 12,092 units and far exceeded in 1927, when 31,036 new apartment units were constructed in a single year. From 1935 to 1939, 16,356 new apartment units were built, with 8,000 more to be added this year. With approximately 24,000 new units constructed and only 2,500 demolished in this period, the Bronx is still in the cycle where new growth predominates.

In Queens, the last borough to experience rapid growth, there was relatively limited apartment building prior to 1927, with only 2,071 new units erected in the peak of 1907. In 1928, 13,797 new apartment units were constructed. The recovery, from 1934 to 1939, was the most rapid of any of the boroughs-- the number of new apartment units increasing from 121 in 1934, to 8,421 in 1939. From 1935 to 1939 inclusive, 19,809 new apartments were built in Queens and only 509 demolished.

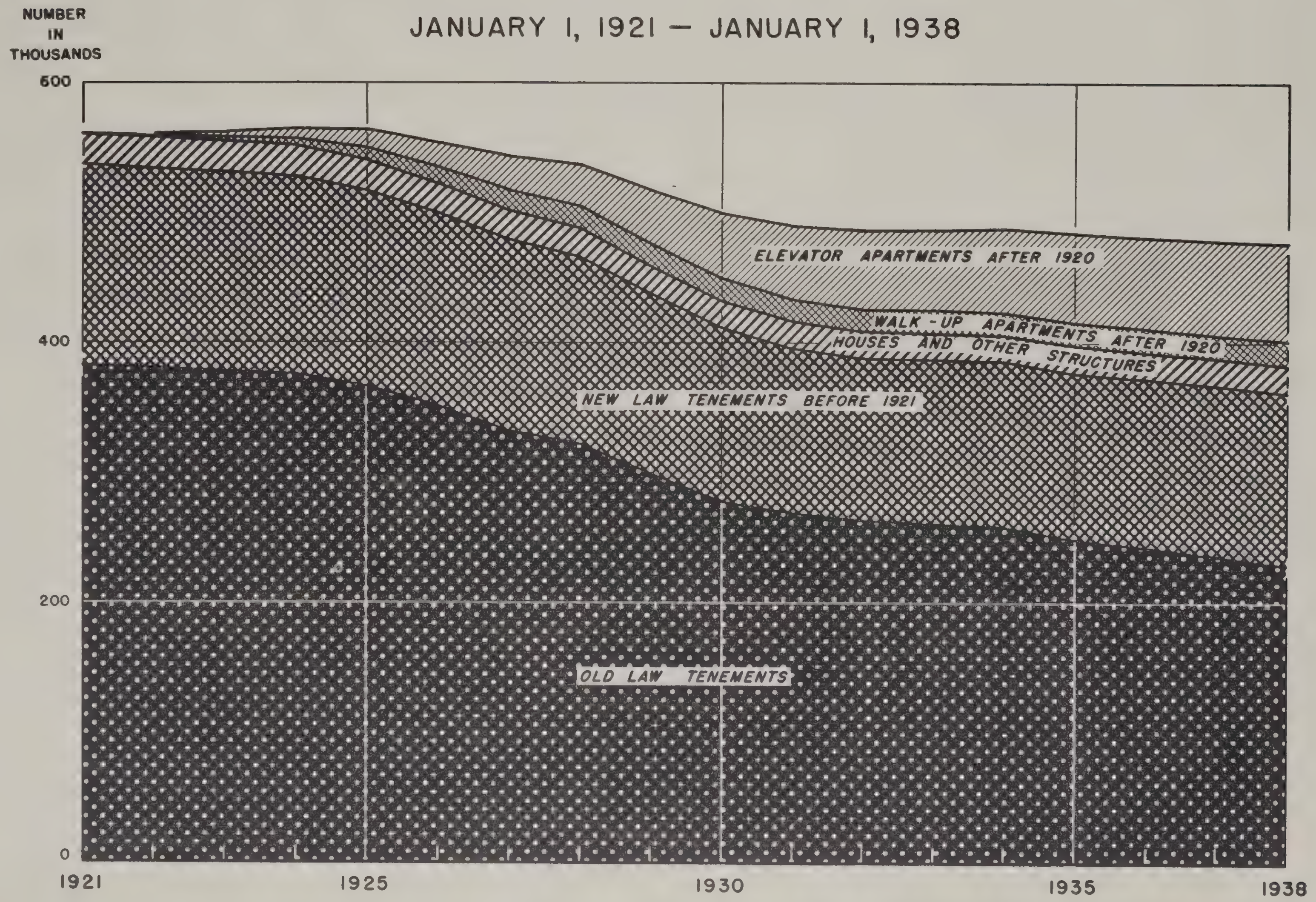
In Richmond or Staten Island, apartment construction has always been relatively insignificant.

The decline in the number of apartment units in Manhattan is, of course, due to demolition of old-law tenements. The number of dwelling units in old-law tenements in Manhattan has declined from 386,250 on January 1, 1920, to slightly less than 300,000 today. The vacancy rate, including boarded-up structures, in old-law tenements, is high--so that probably not over 225,000 old-law dwelling units are occupied now. The shrinkage in the housing supply in Manhattan has thus been due to a decline in the quarters occupied by the lowest income groups.

Since 1920, 85,700 dwellings have been added in new elevator apartments in Manhattan. The total number of dwelling units in Manhattan has declined, however, from 599,041 in January, 1930, to 578,523 today.

NUMBER OF OCCUPIED FAMILY QUARTERS IN THE BOROUGH OF MANHATTAN BY TYPE OF STRUCTURE

JANUARY 1, 1921 — JANUARY 1, 1938



The conversion of larger apartments into rooming houses chiefly in the area West of Central Park and Eighth Avenue from 59th Street to 155th Street explains why the slightly larger Manhattan population of 1940 could be crowded into fewer dwelling units than existed in 1930. Very few new apartment buildings were erected in the above area in the last decade but still there was an increase of 52,350 persons in that section of New York in the same period.

Number of New Apartment Units Completed in Manhattan and the Other Boroughs of New York City, 1902-1940

(Division of Housing and Building of New York)

	Manhattan	Brooklyn	Bronx	Queens	Richmond	New York City Total
1902	1,337	236	54	12	3	1,642
1903	5,131	906	443	254	0	6,734
1904	10,387	2,346	1,276	280	0	14,289
1905	18,721	6,412	6,396	855	3	32,387
1906	29,465	12,081	11,762	1,576	0	54,884
1907	22,035	13,521	8,173	2,071	0	45,800
1908	11,240	4,672	3,636	829	7	20,384
1909	9,290	4,365	7,173	1,083	30	21,941
1910	9,344	8,941	12,092	1,731	16	32,124
1911	7,754	11,590	10,808	2,488	21	32.661
1912	6,860	8,309	9,717	1,848	29	26,763
1913	6,421	8,716	10,815	2,070	16	28,038
1914	4,125	8,615	5,626	2,179	32	20,577
1915	4,783	9,416	7,271	2,147	0	23,617
1916	5,021	7,328	7,220	1,790	0	21,359
1917	4,077	5,314	3,609	1,238	3	14,241
1918	714	943	742	307	0	2,706
1919	136	615	809	64	0	1,624
1920	1,210	1,358	2,139	175	0	4,882
1921	1,392	2,302	2,536	605	0	6,835
1922	5,316	8,420	10,335	1,733	0	25,804
1923	6,306	12,249	11,784	1,487	174	32,000
1924	11,156	20,782	17,832	5,571	109	55,450
1925	9,961	13,918	14,876	3,750	68	42,573
1926	10,221	21,572	24,557	6,824	12	63,186
1927	8,811	26,901	31,036	12,438	67	79,253
1928	10,218	23,789	24,860	13,797	60	72,724
1929	10,957	13,614	16,817	12,054	370	53,812
1930	8,160	5,519	6,825	4,020	30	24,554
1931	8,497	10,535	9,050	7,124	86	35,292
1932	643	2,681	1,441	1,555	184	6,504
1933	0	675	153	190	0	1,018
1934	1,721	1,273	145	121	0	3,260
1935	1,218	3,198	3,097	1,203	0	8,716
1936	1,796	4,276	2,449	2,803	0	11,254
1937	3,217	3,934	2,473	4,352	48	14,024
1938	1,696	3,355	3,049	3,030	0	11,132
1939	4,165	4,647	5,288	8,421	0	22,581
1940 (1)	5,517	5,614	5,403	8,946	0	25,480

(1) In these figures, Parkchester in the Bronx is not included. The Mortgage Conference of New York which made an independent tabulation of apartment units completed and which included Parkchester, gave the following number of units for 1940: 16,889 for the Bronx, 5,629 for Brooklyn, 3,804 for Manhattan, and 7,016 for Queens, or a total of 33,238.

FAMILY QUARTERS IN NEW YORK CITY

BY TYPES OF STRUCTURES

1925 - 1939

NEW YORK CITY

Year	One Family Homes	Two Family		Multi-Family		Total	
		Structures	Quarters	Structures	Quarters	Structures	Quarters
1925	231,304	122,001	244,002	110,563	1,128,518	463,868	1,603,824
1926	244,230	128,736	257,472	113,752	1,186,462	486,718	1,688,164
1927	262,079	136,737	273,474	117,390	1,258,167	516,206	1,793,720
1928	277,118	143,534	287,068	119,913	1,322,435	540,565	1,886,621
1929	282,672	151,515	303,030	120,928	1,368,691	555,115	1,954,393
1930	288,173	154,669	309,338	120,681	1,382,794	563,523	1,980,305
1931	292,197	156,526	313,052	124,200	1,431,501	572,923	2,036,750
1932	302,971	160,360	320,720	129,911	1,468,832	593,242	2,092,523
1933	303,892	160,457	320,914	135,494	1,497,838	599,843	2,122,644
1934	307,022	161,486	322,972	136,160	1,501,650	604,668	2,131,644
1935	307,024	162,525	325,050	136,512	1,510,509	606,061	2,142,583
1936	306,740	162,993	325,986	135,949	1,516,651	605,682	2,149,377
1937	308,153	160,403	320,806	135,180	1,522,964	603,736	2,151,923
1938	294,110	164,487	328,974	134,988	1,528,705	593,585	2,151,789
1939	304,970	162.807	325.614	137.291	1.552.534	605.068	2.183.118

MANHATTAN

Year	One Family Homes	Two Family		Multi-Family		Total	
		Structures	Quarters	Structures	Quarters	Structures	Quarters
1925	21,721	4,546	9,092	38,926	557,792	65,193	588,605
1926	20,961	4,182	8,364	38,538	563,156	63,681	592,480
1927	19,939	4,019	8,038	38,062	565,858	62,020	593,835
1928	19,540	3,757	7,514	37,529	569,381	60,826	596,435
1929	19,153	2,594	5,188	37,086	574,137	58,833	598,480
1930	18,383	2,499	4,998	36,438	573,156	36,438	596,537
1931	17,760	2,166	4,332	36,893	588,047	36,893	610,139
1932	17,408	2,063	4,126	37,388	603,606	37,388	625,140
1933	17,285	2,041	4,082	38,375	616,474	38,375	637,841
1934	17,006	1,971	3,942	38,309	615,992	38,309	636,940
1935	16,685	1,977	3,954	38,270	616,649	38,270	637,288
1936	15,788	1,868	3,736	37,858	614,558	37,858	634,082
1937	14,579	1,833	3,666	37,454	613,179	37,454	631,424
1938	9,806	1,441	2,882	37,003	609,988	37,003	622,676
1939	9.469	1,400	2.800	36.385	607.417	47.254	619.686

BRONX

Year	One Family Homes	Two Family		Multi-Family		Total	
		Structures	Quarters	Structures	Quarters	Structures	Quarters
1925	18,553	12,382	24,764	12,289	199,271	43,224	242,588
1926	19,667	13,595	27,190	13,215	223,863	46,477	270,720
1927	21,210	14,568	29,136	14,402	254,740	50,180	305,086
1928	21,721	15,954	31,908	15,237	279,454	52,912	333,083
1929	20,286	16,515	33,030	15,723	296,352	52,524	349,668
1930	20,252	16,891	33,782	15,888	303,062	53,031	357,096
1931	21,860	17,186	34,372	16,394	312,895	55,440	369,127
1932	23,413	17,258	34,516	17,378	317,177	58,049	375,106
1933	23,176	17,462	34,934	18,650	321,147	59,288	379,257
1934	24,117	17,302	34,604	18,712	321,401	60,131	380,122
1935	24,277	17,805	35,610	18,876	324,994	60,958	384,881
1936	24,188	17,651	35,302	18,935	327,493	60,774	386,983
1937	23,601	17,596	35,192	18,784	328,199	59,981	386,992
1938	22,849	18,593	37,186	18,774	331,043	60,216	391,078
1939	21,960	18.602	37.204	18.918	336.559	59.480	395.723

BROOKLYN

Year	One Family Homes	Two Family		Multi-Family		Total	
		Structures	Quarters	Structures	Quarters	Structures	Quarters
1925	86,260	69,507	139,014	52,186	327,166	207,953	552,440
1926	89,802	71,473	142,946	54,123	348,403	215,398	581,151
1927	92,481	74,830	149,660	55,979	374,113	223,290	616,254
1928	97,672	78,582	157,164	57,363	396,352	233,617	651,188
1929	95,675	86,153	172,306	57,839	408,669	239,667	676,650
1930	94,913	84,272	168,544	57,911	413,024	237,096	676,481
1931	95,613	84,790	169,580	59,013	425,894	239,416	691,087
1932	98,434	87,794	175,588	61,622	437,171	247,850	711,193
1933	99,036	88,342	176,684	64,485	447,638	251,863	723,358
1934	98,309	89,248	178,496	65,158	451,149	252,715	727,954
1935	98,323	89,451	178,902	65,323	454,335	253,097	731,560
1936	97,923	89,604	179,208	65,098	457,307	252,625	734,438
1937	98,014	89,395	178,790	64,799	459,808	252,208	736,612
1938	89,242	91,778	183,556	64,808	462,225	245,828	735,023
1939	90.239	92.007	184.014	67.197	473.932	249.443	748.185

QUEENS

Year	One Family Homes	Two Family		Multi-Family		Total	
		Structures	Quarters	Structures	Quarters	Structures	Quarters
1925	80,321	31,611	63,222	6,806	42,486	118,738	186,029
1926	87,365	35,229	70,458	7,525	49,252	130,119	207,075
1927	101,688	38,836	77,672	8,595	61,611	149,119	240,971
1928	110,112	40,589	81,178	9,438	75,391	160,139	266,681
1929	120,597	41,788	83,576	9,928	87,308	172,313	291,481
1930	125,842	46,375	92,750	10,093	91,299	182,310	309,891
1931	127,971	47,682	95,364	11,512	102,210	187,165	325,545
1932	133,575	48,021	96,042	12,816	107,889	194,412	337,506
1933	134,224	47,180	94,360	13,192	109,251	194,596	337,835
1934	136,313	47,331	94,662	13,379	109,697	197,023	340,672
1935	136,885	47,674	95,348	13,437	111,102	197,996	343,335
1936	138,246	48,027	96,054	13,473	113,932	199,746	348,232
1937	141,594	45,700	91,400	13,588	118,458	200,882	351,452
1938	142,735	46,314	92,628	13,855	122,158	202,904	357,521
1939	153,582	44.423	88,846	14.205	131,215	212.210	373.643

RICHMOND

Year	One Family Homes	Two Family		Multi-Family		Total	
		Structures	Quarters	Structures	Quarters	Structures	Quarters
1925	24,447	3,955	7,910	356	1,803	28,758	34,160
1926	26,435	4,257	8,514	351	1,788	31,043	36,737
1927	26,761	4,484	8,968	352	1,845	31,597	37,574
1928	28,073	4,652	9,304	346	1,857	33,071	39,234
1929	26,959	4,465	8,930	352	2,225	31,776	38,114
1930	28,783	4,632	9,264	351	2,253	33,766	40,300
1931	28,993	4,702	9,404	388	2,455	34,083	40,852
1932	30,141	5,224	10,448	507	2,993	35,872	43,582
1933	30,171	5,432	10,864	592	3,328	36,195	44,363
1934	31,277	5,634	11,268	602	3,411	37,513	45,956
1935	30,854	5,618	11,236	606	3,429	37,078	45,519
1936	30,595	5,843	11,686	585	3,361	37,023	45,642
1937	30,365	5,879	11,758	555	3,320	36,799	45,443
1938	29,478	6,361	12,722	548	3,291	36,387	45,491
1939	29.720	6.375	12.750	586	3.411	36.681	45.881

NOVEMBER 1, 1940

THE REAL ESTATE BOARD OF NEW YORK INC. MANAGEMENT DIVISION.

A GRAPHIC PRESENTATION OF DATA COVERING CLASS "A" MULTIPLE DWELLINGS IN NEW YORK CITY & MANHATTAN ERECTED FOR PERMANENT (NOT TRANSIENT) RESIDENCE

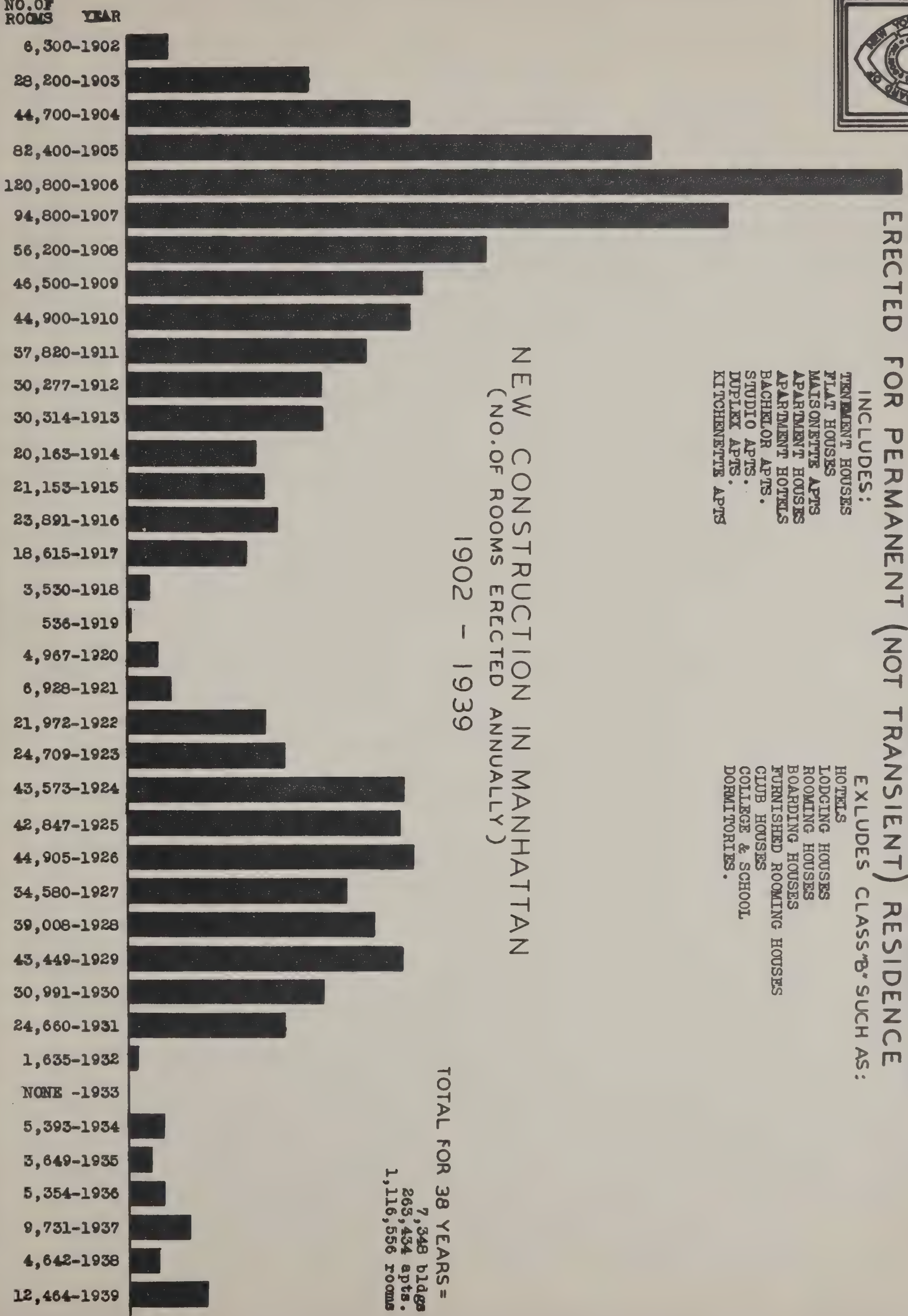
INCLUDES:

TENEMENT HOUSES
FLAT HOUSES
MAISONETTE APTS
APARTMENT HOUSES
APARTMENT HOTELS
BACHELOR APTS.
STUDIO APTS.
DUPLEX APTS.
KITCHENETTE APTS

EXLUDES CLASS"B" SUCH AS:

HOTELS
LODGING HOUSES
ROOMING HOUSES
BOARDING HOUSES
FURNISHED ROOMING HOUSES
CLUB HOUSES
COLLEGE & SCHOOL
DORMITORIES.

NEW CONSTRUCTION IN MANHATTAN
(NO. OF ROOMS ERECTED ANNUALLY)
1902 - 1939



TOTAL FOR 38 YEARS =
7,348 bldgs
263,434 apts.
1,116,556 rooms

VACANCIES IN APARTMENTS
IN MANHATTAN

Notwithstanding the fact that demolitions have exceeded new construction in Manhattan for the past five years, vacancies in apartments have increased during the past year. Vacancies in 871 fireproof elevator buildings out of a total of 1,100 in Manhattan increased from 5,052 dwelling units on November 1, 1939 to 6,581 on October 1, 1940, or from 8.1 percent to 11.6 percent. Vacancies in 296 six-story elevator buildings in the same period increased from 763 to 1,147 dwelling units, or from 5.5 percent to 8.4 percent. Vacancies in 288 walkups increased from 293 to 492 in the same period, or from 4.5 percent to 7.9 percent.

These figures do not include Old Law Tenements, but a survey of 17,319 dwelling units in Old Law Tenements in January, 1940, indicated vacancies of 7.1 percent compared with vacancies of 6.1 percent for January, 1939.

Thus, Manhattan apartments are losing tenants to new apartments in other boroughs, despite the fact that Manhattan has not lost population in the last decade. An increase in the rooming house population in areas in Manhattan north of 59th Street, alone prevented a decline in the total population on the Island.

The full extent of the vacancy situation in Manhattan can only be revealed by a full inventory of all types of dwelling units. There were 6,581 vacant units in the fireproof buildings surveyed, 1,147 vacancies in the six-story elevator apartments surveyed, and 492 vacancies in walkups surveyed on October 1, or a total of 8,220 apartment units in the better buildings. Allowing for buildings not included in the survey would bring this total to over 10,000.

In addition, there were a total of 9,724 dwelling units vacant in Old Law Tenements in January, 1938. Allowing for increases in vacancies since that date would bring this total to over 11,000.

Thus, there are over 21,000 vacant dwelling units now available in Manhattan.

[illegible]

[illegible]

[illegible] evidence [illegible] that [illegible] the Manhattan [illegible] for the past five years. Vacancies in apartments have increased [illegible] years. Vacant [illegible] fireproof elevator buildings out of a [illegible] in October [illegible] or from 3.1 percent to 11.9 percent. Vacancies in [illegible] to 8.4 percent. Vacancies in 255 walk-up [illegible] from 293 to 492 in the same period, or from 4.5 percent to 1.9 percent.

These figures do not include Old Law tenements, but a survey of 11,313 [illegible] units in Old Law tenements in January, 1940, indicated vacancies of 1.1 [illegible]

Thus, Manhattan apartments are losing tenants to new apartments in [illegible] because of the fact that Manhattan has not lost population in the last [illegible]

The full extent of the vacancy situation in Manhattan can only be revealed by a full inventory of all types of dwelling units. There were 6,531 vacant units in the [illegible] buildings [illegible] surveyed, and 492 vacancies in buildings surveyed on [illegible], or a total of 8,220 apartment units in the better buildings. Allowing [illegible] not included in the survey, would bring this total to over 10,000.

[illegible]

Thus, [illegible]

In addition to this, there are 34,301 dwelling units in 5,219 unoccupied or boarded up buildings in New York City, most of which are in Manhattan.

The census of 1940 revealed that there were a total of 68,444 vacant dwelling units of all types out of a total of 614,314 units or 11.1 percent of the total number in Manhattan. There were more vacant dwelling units in Manhattan than any other borough of New York City. Forty percent of all the vacant dwelling units in New York City in 1940 were in Manhattan.

The vacancy ratio in Westchester and Nassau counties was even higher than in Manhattan, indicating that the recent rate of new construction in the adjacent counties has proceeded faster than population growth.

OCCUPIED AND VACANT DWELLING UNITS
IN NEW YORK CITY, WESTCHESTER AND
NASSAU COUNTY, 1940

	Total Number	Number Occupied	Number Vacant	Percent Vacant
Manhattan	614,314	545,870	68,444	11.1
Brooklyn	758,149	711,694	46,455	6.1
Queens	403,713	371,728	31,985	7.9
Bronx	396,001	378,883	17,118	4.3
Richmond	49,060	43,183	5,877	12.0
New York City	2,221,237	2,051,358	169,879	7.6
Westchester County	160,698	147,509	13,189	14.1
Nassau County	123,360	108,187	15,173	12,3

DISTRICT MAP OF MANHATTAN TENEMENT SURVEY

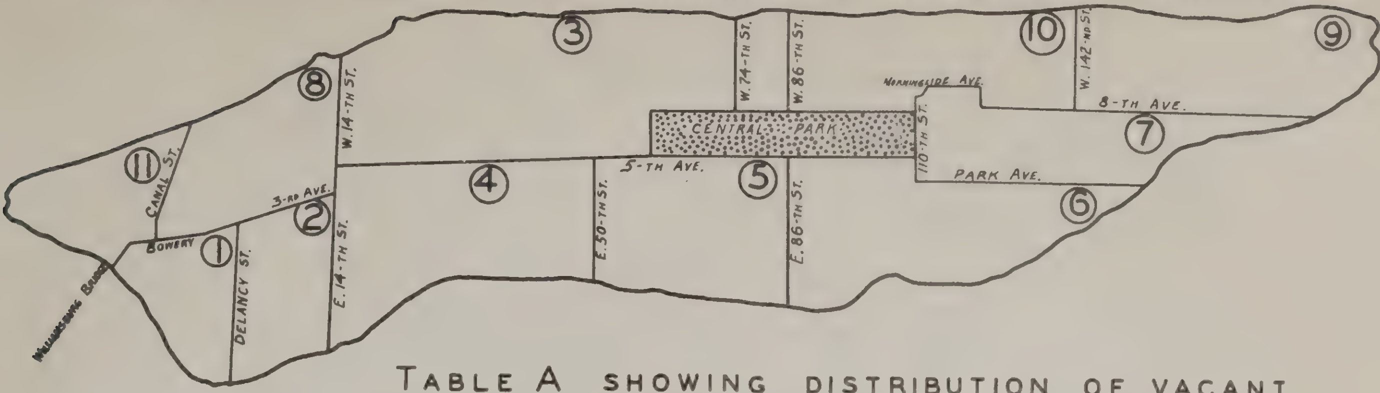


TABLE A SHOWING DISTRIBUTION OF VACANT OLD LAW DWELLING UNITS BY ROOM SIZE AND RENT PER MONTH.

DISTRICT.	TOTAL NUMBER OF VACANT DWELLING UNITS.	% OF VACANCY.	VACANT DWELLING UNITS CLASSIFIED BY RENT PER MONTH.								
			MEDIAN RENT PER VACANT UNIT.	$9.99 & LESS	$10.00-14.99	$15.00-19.99	$20.00-24.99	$25.00-29.99	$30.00-34.99	$35.00-39.99	$40.00-45.00
DISTRICT No 1	2,770		$15.00	109	1,113	820	355	143	100	82	48
" 2	115		$15.00	4	50	35	17	3	5	1	-
" 3	1,286		$19.00	6	265	404	299	153	71	50	38
" 4	847		$17.00	33	260	252	136	71	40	27	28
" 5	764		$19.00	6	113	288	162	110	26	28	31
" 6	1,786		$18.00	48	380	535	324	196	158	54	93
" 7	417		$28.00	-	4	42	70	100	103	62	36
" 8	921		$16.00	50	317	301	117	48	24	37	27
" 9	90		$29.50	-	-	9	12	24	22	12	11
" 10	361		$30.00	-	4	55	67	45	66	66	58
" 11	367		$17.00	11	76	127	115	18	3	11	6
MANHATTAN ALL DISTRICTS	9,724		$18.00	267	2,582	2,866	1,674	911	618	430	376

DISTRICT.	VACANT DWELLING UNITS CLASSIFIED BY NUMBER OF ROOMS PER DWELLING UNIT & RENT PER MONTH.																	
	TWO ROOM UNITS									THREE ROOM UNITS								
	No. of VACANT UNITS	MEDIAN RENTALS								No. of VACANT UNITS	MEDIAN RENTALS							
		$9.99 & LESS	$10.00-14.99	$15.00-19.99	$20.00-24.99	$25.00-29.99	$30.00-34.99	$35.00-39.99	$40.00-45.00		$9.99 & LESS	$10.00-14.99	$15.00-19.99	$20.00-24.99	$25.00-29.99	$30.00-34.99	$35.00-39.99	$40.00-45.00
DISTRICT No 1	174	72	54	21	·	27	·	·	·	1397	·	1083	149	·	82	·	83	·
" 2	1	·	1	·	·	·	·	·	·	54	·	41	·	13	·	·	·	·
" 3	59	·	36	13	·	·	·	10	·	440	·	172	215	22	·	31	·	·
" 4	115	17	62	·	·	24	12	·	·	356	·	214	102	·	·	·	40	·
" 5	40	·	·	30	·	·	·	10	·	325	·	102	185	·	19	·	19	·
" 6	43	·	21	·	·	·	22	·	·	500	·	320	72	74	·	·	34	·
" 7	19	·	·	·	·	19	·	·	·	56	·	·	12	·	·	44	·	·
" 8	129	53	55	·	·	·	·	21	·	439	·	269	154	·	16	·	·	·
" 9	5	·	·	·	·	·	·	5	·	16	·	·	·	·	·	·	16	·
" 10	8	·	·	·	·	·	·	8	·	44	·	·	13	·	·	·	31	·
" 11	58	·	58	·	·	·	·	·	·	141	·	·	129	12	·	·	·	·
MANHATTAN ALL DISTRICTS	651	142	287	64	·	70	34	54	·	3,768	·	2,201	1,031	121	117	75	223	·

DISTRICT.	VACANT DWELLING UNITS CLASSIFIED BY NUMBER OF ROOMS PER DWELLING UNIT & RENT PER MONTH.																										
	FOUR ROOM UNITS									FIVE ROOM UNITS									SIX ROOM OR MORE								
	No. of VACANT UNITS	MEDIAN RENTALS								No. of VACANT UNITS	MEDIAN RENTALS								No. of VACANT UNITS.	MEDIAN RENTALS							
		$9.99 & LESS	$10.00-14.99	$15.00-19.99	$20.00-24.99	$25.00-29.99	$30.00-34.99	$35.00-39.99	$40.00-45.00		$9.99 & LESS	$10.00-14.99	$15.00-19.99	$20.00-24.99	$25.00-29.99	$30.00-34.99	$35.00-39.99	$40.00-45.00		$9.99 & LESS	$10.00-14.99	$15.00-19.99	$20.00-24.99	$25.00-29.99	$30.00-34.99	$35.00-39.99	$40.00-45.00
DISTRICT No 1	1,052	·	·	752	175	67	58	·	·	118	·	·	15	50	·	53	·	·	29	·	·	·	·	19	·	10	·
" 2	54	·	·	41	13	·	·	·	·	6	·	·	·	·	·	6	·	·	–	·	·	·	·	·	·	·	·
" 3	508	·	·	240	168	38	62	·	·	193	·	·	21	87	40	·	45	·	86	·	·	·	·	40	25	11	10
" 4	289	·	·	230	28	·	31	·	·	59	·	·	·	49	·	·	10	·	28	·	·	·	·	28	·	·	·
" 5	234	·	·	137	79	·	·	·	18	146	·	·	·	65	56	·	25	·	19	·	·	·	·	·	·	19	·
" 6	622	·	19	388	60	77	78	·	·	504	·	·	187	166	77	74	·	·	117	·	·	·	40	24	·	24	29
" 7	116	·	·	28	21	37	30	·	·	129	·	·	·	45	·	84	·	·	97	·	·	·	14	·	·	83	·
" 8	282	·	26	85	138	·	12	21	·	59	·	·	·	36	·	·	12	11	12	·	·	·	·	·	12	·	·
" 9	28	·	·	·	15	·	·	·	13	33	·	·	·	9	·	12	12	·	8	·	·	·	·	·	·	·	8
" 10	136	·	·	·	54	·	82	·	·	115	·	·	35	31	·	·	49	·	58	·	·	·	·	·	·	58	·
" 11	133	·	·	48	73	·	·	·	12	22	·	·	·	22	·	·	·	·	13	·	·	·	·	·	·	13	·
MANHATTAN ALL DISTRICTS	3,454	·	45	1,949	824	219	353	21	43	1,384	·	·	258	560	173	229	153	11	467	·	·	·	54	111	37	218	47

LINE		MANHATTAN	BY SURVEY DISTRICTS (SEE MAP.)										
			No 1	No 2	No 3	No 4	No 5	No 6	No 7	No 8	No 9	No 10	No 11
1	NUMBER OF STRUCTURES SURVEYED	22,115	3900	156	2967	1,694	2810	3,733	2,817	1,441	544	1,769	284
2	NUMBER OF DWELLING UNITS SURVEYED	246,717	52,905	2,087	33,062	17,324	29,111	36,462	29,890	14,453	6,611	21,551	3,261
3	PERCENTAGE DISTRIBUTION OF ALL DWELLING UNITS.	100%	21.4%	0.9%	13.4%	7.0%	11.8%	14.8%	12.1%	5.9%	2.7%	8.7%	1.3%
4	NUMBER OF STRUCTURES "NO VACANCIES"	17,995	2915	126	2396	1,342	2,419	2926	2555	1,114	482	1,542	178
5	NUMBER OF DWELLING UNITS IN STRUCTURES "NO VACANCIES"	188,215	36,177	1,569	25,093	12,604	23,674	26,420	26,587	9,644	5,763	18,810	1,874
6	NUMBER OF STRUCTURES "WITH VACANCIES"	4,120	985	30	571	352	391	807	262	327	62	227	106
7	NUMBER OF DWELLING UNITS IN STRUCTURES "WITH VACANCIES"	58,502	16,728	518	7,919	4,720	5,437	10,042	3,303	4,809	848	2,741	1,387
8	NUMBER OF VACANT DWELLING UNITS UNDER $45.00	9,724	2,770	115	1,286	847	764	1,786	417	921	90	361	367
9	PER CENT OF MANHATTAN TENEMENT VACANCY	SEE	N	O	T	E		B	E	L	O	W	
10	PERCENTAGE DISTRIBUTION OF VACANT DWELLING UNITS	100%	28.5%	1.2%	13.2%	8.7%	7.8%	18.4%	4.3%	9.5%	0.9%	3.7%	3.8%
11	NUMBER OF TWO ROOM VACANT UNITS	651	174	1	59	115	40	43	19	129	5	8	58
12	" " THREE " " "	3,768	1,397	54	440	356	325	500	56	439	16	44	141
13	" " FOUR " " "	3,454	1052	51	508	289	234	622	116	282	28	136	133
14	" " FIVE " " "	1,384	118	6	193	59	146	504	129	59	33	115	22
15	" " SIX " " "	467	29	–	86	28	19	117	97	12	8	58	13
16	NUMBER OF VACANT UNITS WITHOUT VIOLATIONS	1,745	321	13	112	148	171	400	161	135	37	103	44
17	" " " " WITH FIRE RETARDING VIOLATIONS.	1,997	441	25	239	104	52	499	233	153	41	132	78
18	" " " " WITH COMMON TOILET VIOLATIONS	2305	664	17	353	214	433	179	–	384	–	23	48
19	" " " " WITH FIRE RETARDING AND COMMON TOILET VIOLATIONS	3,677	1344	70	532	381	118	708	23	249	12	43	197
20	AVERAGE NUMBER OF DWELLING UNITS PER STRUCTURE	11.2	13.6	13.4	11.1	10.2	10.4	9.8	10.6	10.0	12.1	12.2	11.5
21	MEDIAN MONTHLY RENT FOR VACANT DWELLING UNIT	$18.00	$15.00	$15.00	$19.00	$17.00	$19.00	$18.00	$28.00	$16.00	$19.00	$30.00	$17.00
22	AVERAGE SIZE OF VACANT DWELLING UNIT (NO. OF ROOMS)	3.7	3.5	3.7	3.9	3.5	3.7	4.0	4.5	3.3	4.0	4.4	3.4

NOTE: THE ABOVE DATA DOES NOT REVEAL PERCENTAGE OF VACANCY IN TENEMENTS OF MANHATTAN. THE EVIDENT PURPOSE OF THE SURVEY WAS TO FIND OUT THE NUMBER OF VACANT DWELLING UNITS UNDER $45.00. DATA DOES NOT SHOW EITHER ALL VACANT DWELLING UNITS IN SURVEYED STRUCTURES OR NUMBER OF ALL AVAILABLE DWELLING UNITS UNDER $45.00

VII

MANHATTAN SALES, FORECLOSURES AND NEW MORTGAGE LOANS

MANHATTAN SALES, FORECLOSURES AND NEW MORTGAGE LOANS

There has been a steady increase in the number of sales in Manhattan from 1097 in 1935 to 2591 in 1940, and a decline in foreclosures from 2068 in 1935 to 558 in 1940 as the following tables show:

SALES, FORECLOSURES, AND NEW MORTGAGE LOANS

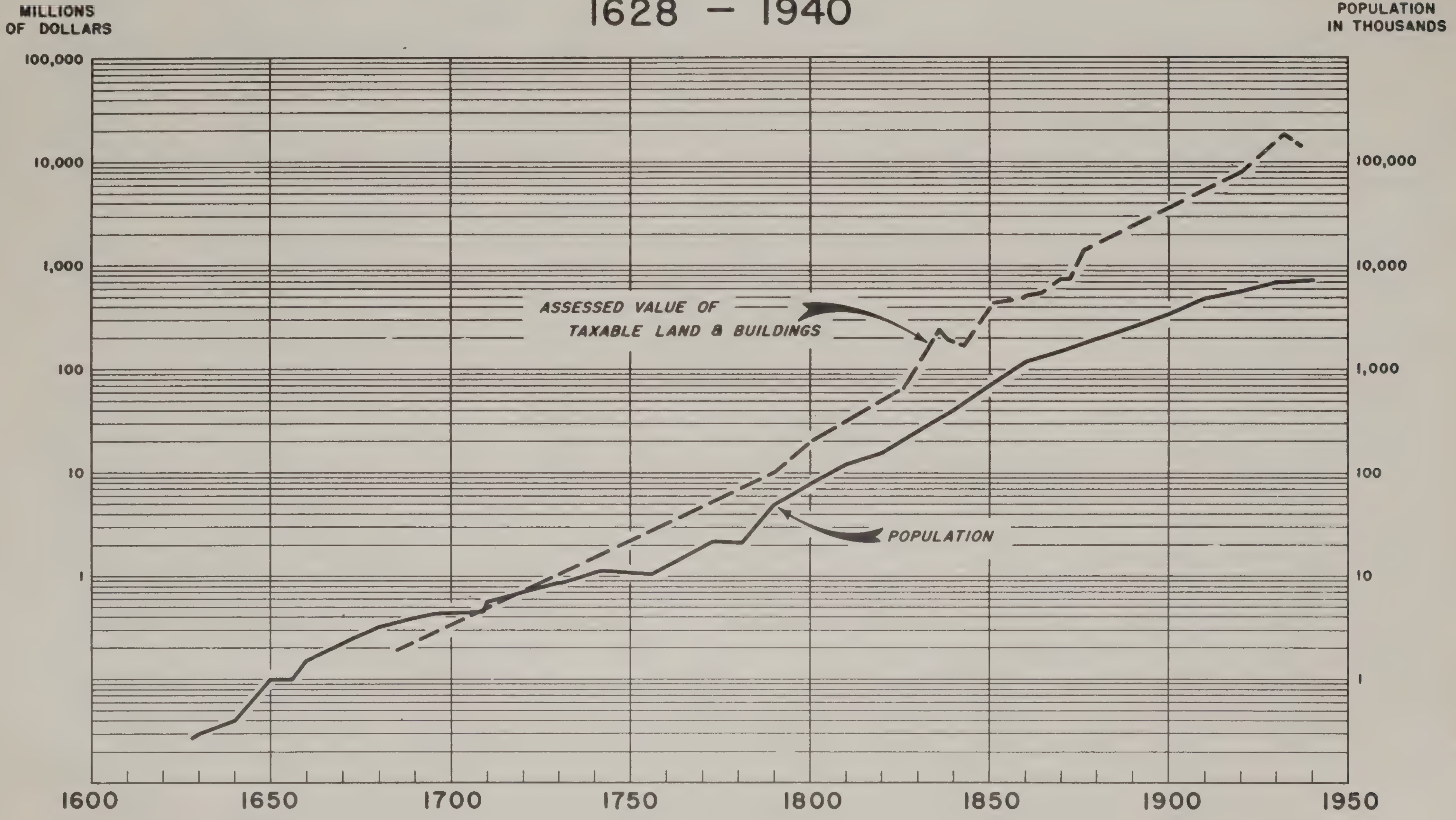
Quarterly totals for the six years, 1935 to 1940 inclusive

	Sales			Foreclosures		New Loans	
	No. of Sales	Total considerations	% sales to ass. value	No.	Total Liens	No.	Dollar Volume
1935							
1st quarter	221	$ 17,891,150	86.7%	491	$ 56,344,663		$
2nd "	298	31,075,817	90.3	566	74,242,762		
3rd "	251	18,195,342	86.2	487	48,462,983		
4th "	327	26,117,250	82.6	524	43,282,784		
Total	1097	$ 93,279,559	86.6	2068	$222,333,192		
1936							
1st quarter	343	$ 22,405,844	78.9	461	$ 42,740,569	245	5,514,010
2nd "	466	30,005,656	79.1	452	49,971,374	279	5,721,603
3rd "	403	24,587,696	78.1	401	33,716,791	279	6,082,672
4th "	458	28,018,698	79.7	396	50,039,278	361	14,064,575
Total	1670	$105,017,894	79.0	1710	$176,468,012	1164	31,382,860
1937							
1st quarter	598	$ 44,726,490	87.2	337	$ 41,950,053	310	10,978,057
2nd "	681	46,697,796	84.6	317	35,715,665	326	13,220,250
3rd "	560	30,470,623	78.8	304	43,798,647	298	9,309,350
4th "	514	28,238,265	78.2	276	46,668,477	327	13,107,746
Total	2353	$150,133,174	82.9	1234	$168,132,842	1261	46,615,403
1938							
1st quarter	492	$ 20,265,535	78.0	255	$ 23,900,090	264	8,689,938
2nd "	612	27,310,853	80.5	293	35,584,691	335	14,930,931
3rd "	543	22,406,887	83.0	218	32,995,473	346	8,210,323
4th "	664	28,840,101	77.2	196	31,052,589	360	7,988,123
Total	2311	$ 98,823,376	79.5	962	$123,532,843	1305	39,819,315
1939							
1st quarter	603	$ 25,895,105	80.2	173	$ 14,047,752	336	8,523,837
2nd "	797	35,325,531	74.5	180	24,310,770	460	17,564,337
3rd "	594	26,071,421	76.7	156	27,636,568	380	10,278,137
4th "	699	33,539,280	72.5	210	27,370,121	420	10,752,144
Total	2693	$120,831,337	75.5	719	$ 93,365,211	1596	47,118,455
1940							
1st quarter	668	$ 32,409,227	78.2	141	$ 18,018,510	344	13,211,474
2nd "	716	33,652,494	69.9	142	21,419,897	445	10,315,366
3rd "	600	32,858,509	73.0	134	32,641,787	393	7,875,879
4th "	607	29,725,507	69.9	141	22,806,454	409	8,888,060
Total	2591	$128,645,737	72.6	558	$ 94,886,648	1591	40,290,779

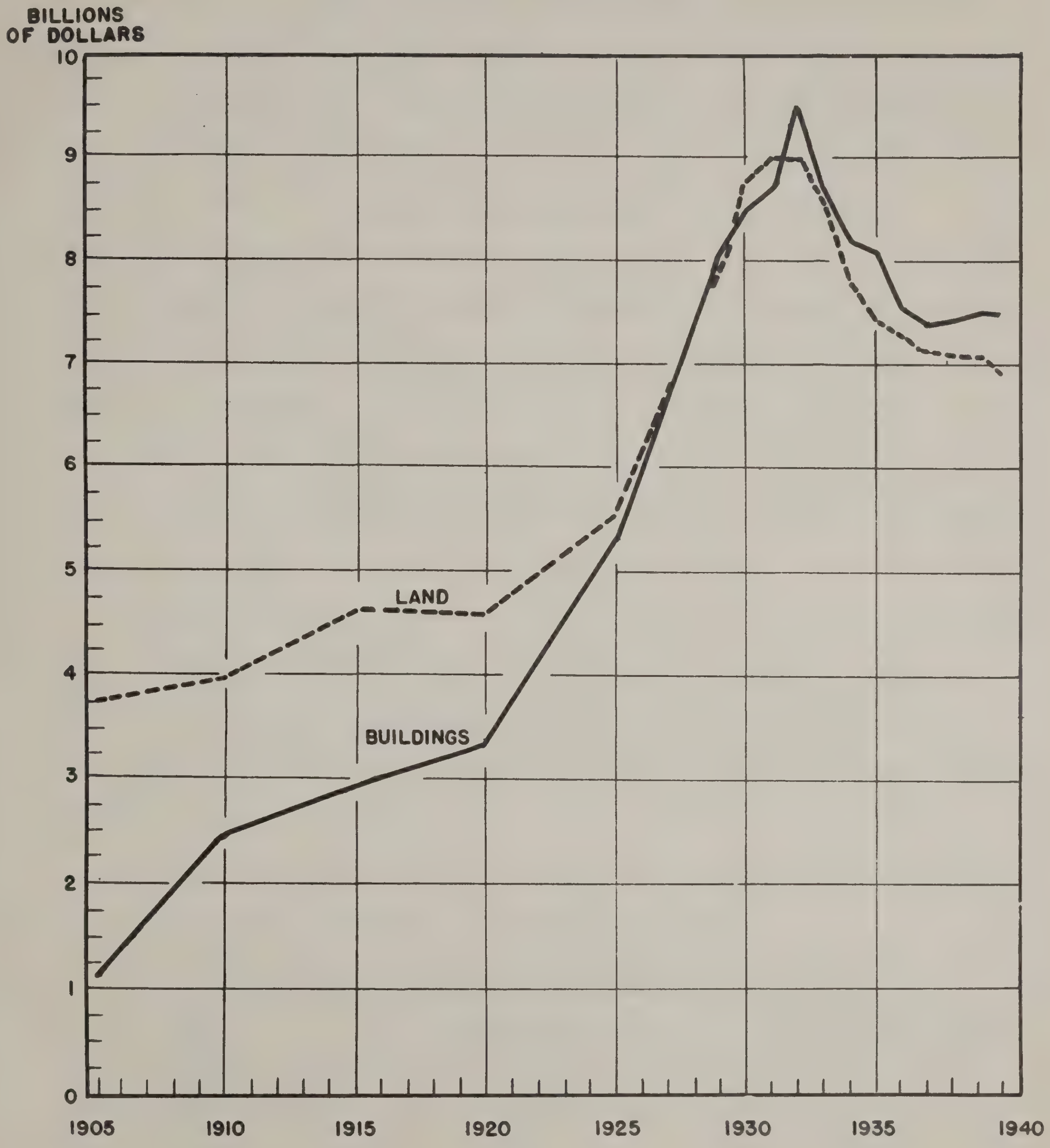
VIII

THE REAL ESTATE TAX BURDEN IN MANHATTAN

ASSESSED VALUE OF TAXABLE LAND AND BUILDINGS COMPARED WITH POPULATION OF NEW YORK CITY
1628 – 1940



ASSESSED VALUATION OF LAND AND BUILDINGS
NEW YORK CITY



SOURCE:
TAX COMMISSION
(UTILITY PROPERTIES AND SPECIAL FRANCHISES
NOT INCLUDED)

INSTITUTE OF PUBLIC ADMINISTRATION
NEW YORK CITY

THE REAL ESTATE TAX BURDEN IN MANHATTAN

Notwithstanding the great decline in the aggregate volume of business in New York City in its industries, port, stock market, wholesale and retail trade from 1926 to 1940, the total amount of real estate taxes levied has steadily increased from $437,000,000 in 1926 to $552,000,000 in 1936 and to $580,000,000 for the current year. An increase in the tax rate from 2.68 in 1929 to 2.98 in 1940-1941 has offset declines in the assessed value of Manhattan from $8,583,771,145 in 1929 to $7,725,414,000 in 1940-1941. The amount of taxes actually paid in Manhattan increased from $230,051,200 to $231,205,000 from 1929 to 1940-1941 despite the great decline in the volume of business transacted in Manhattan in that period.

Taxes now consume over 25 percent of the gross income of apartment buildings in Manhattan or three months rent! Taxes take practically the entire net income after operating expenses of old law tenements and old loft buildings.

Taxes are levied on the basis of assessments that can only be sustained by intensive development of every part of Manhattan with apartment buildings rented to families capable of paying an economic rent. Yet many new projects for reclaiming slum areas contemplate either tax exemption for the building or government subsidized rents.

The ratio of sales prices to assessed valuations in Manhattan has been steadily declining since 1935 as the following table shows:

PROPORTION OF TOTAL CONSIDERATION TO TOTAL ASSESSED VALUES

Year	Number of Sales	Proportion Sales to Assessed Value
1935	1097	86.6
1936	1670	79.0
1937	2353	82.9
1938	2311	79.5
1939	2693	75.5
1940	2591	72.6

Over-assessments of real estate are also found in other boroughs. Studies by the Group V Mortgage Conference of 6261 "open market sales" from 1937 through 1940 indicate that properties in Brooklyn are over-valued for taxes by 39 percent and in Queens by 17 percent.

MARKET VALUE AND ASSESSED VALUATIONS OF MANHATTAN REAL ESTATE

as shown by OPEN - MARKET SALES

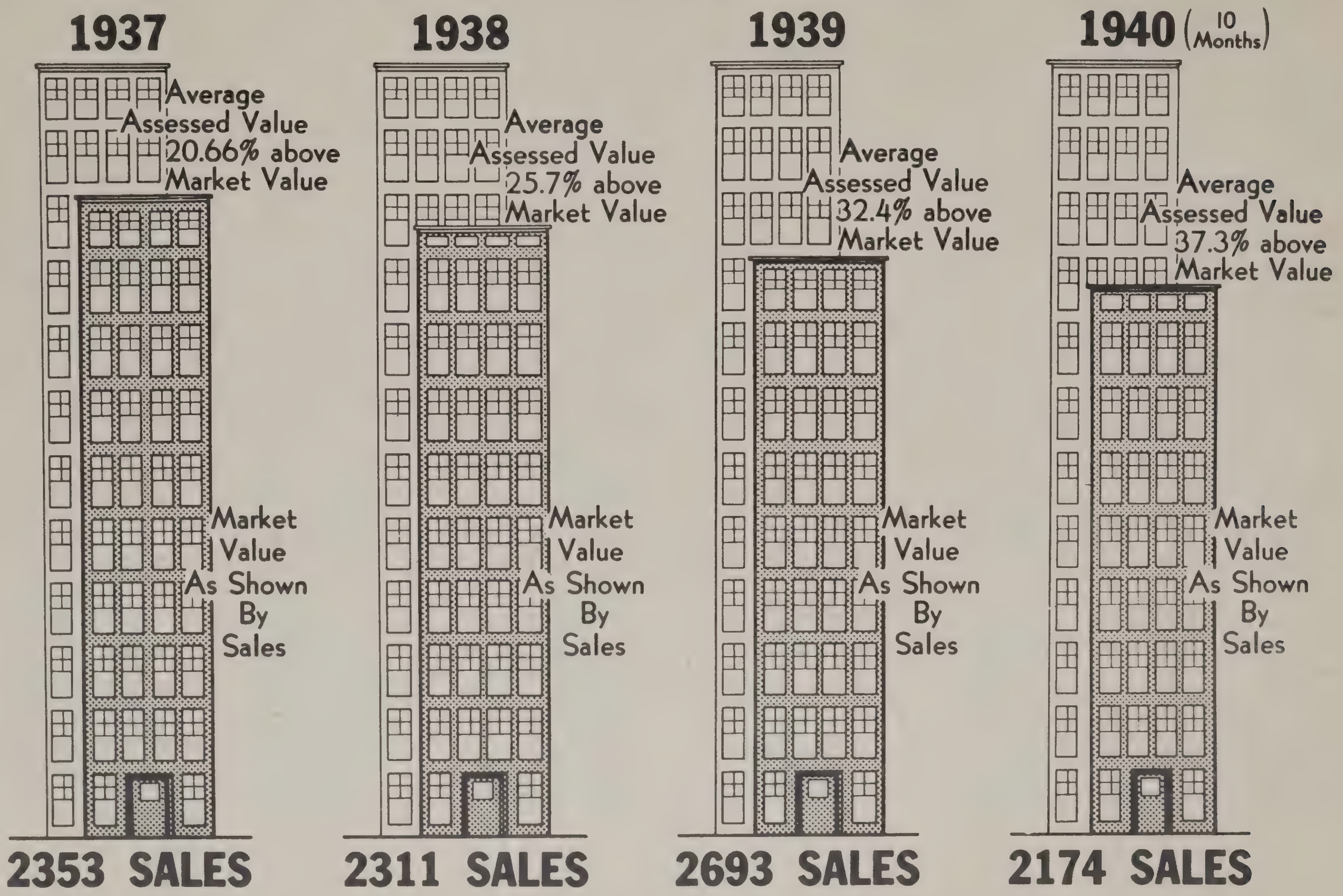


Chart prepared by

THE REAL ESTATE BOARD OF NEW YORK, Inc.
for the NEW YORK STATE JOINT LEGISLATIVE COMMITTEE ON ASSESSING AND REVIEWING

ASSESSMENTS OF DIFFERENT CLASSES OF REAL PROPERTY IN MANHATTAN, 1940

Building Classification	Number	Land	Improvements	Total	Total for five boroughs	Percent Manhattan to City Total
A one-family	9469	$ 230,793,260	$ 92,586,890	$ 323,380,150	$ 2,020,911,350	16.0
B two-family	1400	18,499,250	6,343,450	24,842,700	1,369,815,265	1.7
C walk-up apts.	39542	767,636,800	464,925,225	1,232,562,025	3,060,419,735	40.3
D Elevator apts.	3532	602,575,000	962,434,200	1,565,009,200	2,231,281,700	70.0
E Warehouses	883	42,333,600	60,339,500	102,673,100	169,036,450	60.8
F Factories	1549	113,238,100	115,946,600	229,184,700	489,437,184	47.0
G Garages	2426	98,169,000	60,728,000	158,897,000	334,214,735	47.6
H Hotels	429	153,682,000	177,461,000	331,143,000	348,257,200	95.0
T Theatres	307	93,373,500	41,427,000	134,801,000	218,811,900	61.6
K Store Bldgs.	1390	230,771,800	68,127,000	298,699,600	664,061,395	48.7
L Loft bldgs.	7616	569,168,950	390,682,700	959,849,650	1,010,788,450	95.0
O Office Bldgs.	1132	772,115,000	686,509,500	1,458,624,500	1,555,309,150	93.8
S Misc. Bldgs.	1996	145,170,350	70,225,500	215,395,850	508,398,815	42.4
Total	76171	$3,837,524,610	$3,197,737,865	$7,035,262,475	$13,980,743,330	50.3
V Vacant Land	3281	$ 87,811,850		$ 87,811,850	$ 577,852,722	15.2
Total Taxable ordinary real estate		$3,925,336,460	$3,197,737,865	$7,123,074,325	$14,558,596,052	49.6

MANHATTAN SALES BY MEMBERS OF MORTGAGE CONFERENCE

FIRST HALF 1940

Price and Assessed Valuation - By Type

	Number	Selling Price	Assessed Value	Price as Percent of Assessed Value
Tenements	196	$ 3,187,400	$ 5,346,400	60%
Dwellings	49	1,223,350	2,487,500	49%
Lofts	38	1,476,700	2,597,500	57%
Apartments	16	3,012,000	4,066,000	74%
Others	56	2,850,456	4,704,300	61%
Total	355	$11,749,906	$19,201,700	61%

MANHATTAN ALL-CASH SALES --FIRST HALF 1940

Price and Assessed Valuation - By Type

	Number	Price	Assessed Value	Price as Percent of Assessed Value
Tenements	42	$ 294,850	$ 908,000	32%
Dwellings	13	359,600	1,095,000	33%
Lofts	11	186,000	491,000	38%
Apartments	None	---	---	---
Others	16	183,825	770,800	24%
Total	82	$1,024,275	$3,264,800	31%

New York City Assessed Values and Tax Levies

Source: City Tax Department

Year (Cal.)	Assessed Values						Tax Levy
	Realty Other Than Corp'n.	Realty of Corporat'n	Special Franchises	Total of 3 Preced. Cols.	Personal Property	Grand Totals	
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
1920...	7,961,898,798	246,511,175	417,712,584	8,626,121,707	296,506,185	**8,922,627,892**	223,021,070
1921...	9,268,281,195	276,447,330	428,256,579	9,972,895,104	213,222,175	**10,186,207,279**	284,146,634
1922...	9,541,002,025	282,488,900	426,500,910	10,249,991,835	210,608,045	**10,460,599,880**	286,077,228
1923...	9,880,587,528	285,848,050	429,630,770	10,596,066,348	216,585,350	**10,812,651,698**	295,803,052
1924...	10,441,106,794	279,144,950	428,559,749	11,148,811.493	231,174,150	**11,379,985,643**	312,664,521
1925...	11,155,299,900	292,090,500	453,958,153	11,901,348,553	239,509,540	**12,140,856,093**	327,951,701
1926...	12,210,009,592	312,067,300	495,503,943	12,997,580,835	258,987,975	**13,256,568,810**	361,441,677
1927...	13,711,408,215	324,558,350	503,871,638	14,539,838,203	297,983,750	**14,837,821,953**	402,023,814
1928...	14,999,088,045	345,962,100	500,662,304	15,845,712,449	308,440,050	**16,154,088,949**	441,357,774
1929...	16,222,443,470	375,576,000	535,895,340	17,133,914,810	311,915,125	**17,445,829,935**	464,716,710
1930...	17,248,324,717	390,809,700	564,413,855	18,203,548,272	380,439,130	**18,583,987,402**	497,398,500
1931...	17,761,512,367	418,306,550	626,348,007	18,806,166,924	356,349,090	**19,162,516,014**	513,435,289
1932...	18,524,713,417	419,503,150	672,698,862	19,616,934,929	360,160,886	**19,977,095,815**	534,140,483
1933...	17.349.573.344	410,271,600	697,160,314	18,457.005.258	319,059,715	**18,782,070,573**	455,801,998
1934...	16,062,384,318	394,785,450	692,056,789	17,149,226,557	No tax on	**17,149,226,557**	471,296,432
1935...	15,565,721,731	386,925,200	697,124,268	16,649,771,199	" " "	**16,649,771,199**	468,549,374
1936...	14,868,626,906	1,114,802,375	695,334,267	16,678,763,548	" " "	**16,678,763,548**	452,683,113
1937...	14,579,279,807	1,312,934,925	707,480,462	16,599,695,194	" " "	**16,599,695,194**	459,332,721
1938...	14,540,810,277	1,432,269,675	677,217,842	16,650,297,794	" " "	**16,650,297,794**	489,874,023
1939 (a)	14,620,818,346	1,443,334,875	672,690,951	16,736,844,172	" " "	**16,736,844,172**	242,179,617
1940 (b)	14,558,596,052	1,415,576,350	666,460,537	16,640,632,939	" " "	**16,640,632,939**	491,468,760
1941 (c)	14,417,162,863	1,468,051,580	668,187,035	16,553,401,478	" " "	**16,553,401,478**	493,913,099

(a) Figures are for first half of 1939; (b) figures are for fiscal year ending June 30, 1940; (c) figures are for year July 1, 1940, to June 30, 1941.

NEW YORK CITY ASSESSED VALUATIONS BY BOROUGHS

Year (Calendar)	Land Alone Total	Including the Land				
		Manhattan	Bronx	Brooklyn	Queens	Richmond
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
1920..................	**4,606,220,298**	5,186,771,887	753,308,264	1,937,811,205	636,409,159	111,821,192
1921..................	**4,920,054,720**	5,878,847,633	852,447,403	2,395,486,473	718,818,129	127,285,456
1922..................	**4,976,001,082**	6,058,643,144	864,008,890	2,447,036,937	748,609.486	131,693,378
1923..................	**5,084,991,202**	6,177,890,668	926,682,418	2,536,590,061	804,005,214	150,897,987
1924..................	**5,311,656,896**	6,402,525,800	988,158,851	2,689,678,202	904,605,924	163,842,898
1925..................	**5,561,718,945**	6,721,085,292	1,074,284,721	2,918,566,535	1,013,547,506	173,864,499
1926..................	**6,068,631,739**	7,154,543,958	1,189,244,183	3,230,856,767	1,227,676,363	195,259,564
1927..................	**6,982,347,554**	7,785,110,325	1,407,539,417	3,606,595,553	1,483,512,362	257,080,546
1928..................	**7,529,557,109**	8,360,160,166	1,646,787,282	3,873,301,455	1,691,322,691	274,077,305
1929..................	**8,056,644,524**	8,965,665,836	1,879,194,189	4,103,221,506	1,891,268,200	294,565,076
1930..................	**8,731,788,851**	9,593,415,109	1,997,576,799	4,272,392,536	2,039,773,302	300,390,521
1931..................	**9,024,155,671**	10,031,191,787	2,049,577,747	4,294,335,301	2,123,818,178	307,243,916
1932..................	**9,010,560,261**	10,154,576,653	2,175,700,229	4,549,330,998	2,398,886,590	338,420,959
1933..................	**8,584,233,271**	9,513,999,726	2,040,013,542	4,265,775,564	2,310,422,734	326,793,692
1934..................	**7,790,692,841**	8,714,160,066	1,926,273,839	4,016,650,319	2,188,372,688	303,769,645
1935..................	**7,457,873,311**	8,373,226,997	1,902,800,823	3,933,060,440	2,145,327,968	295,354,971
1936..................	**7,316,914,341**	8,365,565,444	1,908,861,487	3,954,397,953	2,154,629,644	295,311,020
1937..................	**7,130,856,097**	8,252,020,105	1,923,709,614	3,939,292,859	2,186,323,584	298,349,032
1938..................	**7,085,840,787**	8,194,482,439	1,938,546,942	3,953,668,426	2,263,879,714	299,720,273
1939 (a).............	**7,368,520,331**	7,190,360,835	1,642,066,306	3,472,925,740	2,044,845,215	270,620,250
1940 (b).............	**7,339,015,507**	7,123,074,325	1,641,899,401	3,458,082,590	2,064,813,376	270,726,360
1941 (c).............	**6,933,674,328**	6,974,387,650	1,655,309,486	3,416,172,811	2,101,006,451	270,286,465

The 1941 (c) figures cover only ordinary real estate, and do not include utility corporations. The 1941 assessed value of land only of utility corporations was $277,308,660.

GROSS TAX RATES ON REAL PROPERTY IN NEW YORK CITY. BY BOROUGHS

Year (Cal.)	Manhattan, Bronx	Brooklyn	Queens	Richmond	Year	Manhattan, Bronx	Brooklyn	Queens	Richmond
	Cents	Cents	Cents	Cents		Cents	Cents	Cents	Cents
1920....	2.48–2.53	2.54	2.54	2.53	1931....	2.72-2.61	2.62	2.69	2.63
1921....	2.77–2.84	2.80	2.85	2.83	1932....	2.68-2.65	2.67	2.74	2.72
1922....	2.75–2.75	2.76	2.79	2.78	1933....	2.43-2.39	2.44	2.48	2.46
1923....	2.74–2.74	2.74	2.74	2.76	1934....	2.72-2.71	2.81	2.83	2.80
1924....	2.74–2.74	2.76	2.74	2.76	1935....	2.82-2.79	2.81	2.86	2.80
1925....	2.69–2.69	2.71	2.69	2.71	1936....	2.70-2.72	2.72	2.79	2.73
1926....	2.71–2.71	2.74	2.73	2.74	1937....	2.76-2.74	2.78	2.84	2.74
1927....	2.70–2.70	2.73	2.70	2.69	1938....	2.93-2.92	2.94	3.04	2.95
1928....	2.73–2.71	2.74	2.76	2.73	1939....	1.45-1.43	1.44	1.49	1.44
1929.....	2.68–2.62	2.66	2.66	2.66	1939-'40.	2.95-2.92	2.95	3.04	2.95
1930....	2.70–2.62	2.65	2.68	2.71	1940-41..	2.98-2.96	2.99	3.15	2.99

Note—First rate in Manhattan-Bronx column is Manhattan, second is Bronx.

Basic Tax Rates. Figures represent cents per dollar or dollars per $100 of assessed valuation—(1922) 2.74; (1923) 2.73; (1924) 2.73; (1925) 2.68; (1926) 2.68; (1927) 2.66; (1928) 2.66; (1929) 2.55; (1930) 2.53; (1931) 2.57; (1932) 2.59; (1933) 2.33; (1934) 2.56; (1935) 2.71; (1936) 2.65; (1937) 2.64; (1938) 2.80; (1939-'40) 2.82; (1940-'41) 2.82.

The gross tax rates consist of the basic tax rate for budget purposes, plus the rate added thereto for Citywide and Borough assessments levied and collectible with the taxes.

WHEN TO PAY LOCAL TAXES IN NEW YORK CITY

Under the Charter of 1936, real estate taxes are now payable by fiscal instead of calendar years.

The first of these fiscal years begins on July 1, 1939.

The actual dates for payment of the taxes, however, remain unchanged—April 1, and Oct. 1, with the 7 per cent interest penalty for non-payment on the due-dates beginning on May 1 and Nov. 1.

Thus the final half-year payment on the calendar-year plan, covering the first half of the calendar year 1939, is due on April 1, 1939.

The tax for the first half of the fiscal year which begins on July 1, 1939 is due on Oct. 1, 1939; the second half on April 1, 1940.

A discount of 4 per cent is allowed on the second half of the year's tax if it is paid when the first half is due and paid. Whenever a property owner furnishes the Tax Department with the tax map description of his property and his name and address, bills for taxes, water and assessment charges are automatically mailed to such address.

The ordinary residential water tax is due and payable once a year. Metered water taxes are due and payable once a month. There is the usual 7 per cent penalty for non-payment when due.

City of New York Bonded Debt

Source: City Comptroller's Office

As of Jan. 1	Funded Debt (Corp. Stock, Notes and Assess. B'ds)	Sinking Fund Holdings	Net Funded Debt. (Colu'n 1 Less Column 2).	Other Debt (General Fund Bonds)	Tax Notes (Special Revenue Bonds)	Oth. Debt (Revenue Bills)	Interest on City Debt
	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
1920......	1,238,260,597	210,449,508	**1,027,811,089**	310,000,000	9,989,900	32,360,500	49,751,993
1921......	1,246,858,861	215,660,633	**1,031,198,228**	342,500,000	40,354,583	62,967,000	53,501,482
1922......	1,292,973,059	228,450,349	**1,064,522,710**	376,500,000	35,602,650	78,073,500	55,144,736
1923......	1,316,160,385	230,563,884	**1,085,596,501**	414,000,000	20,850,000	40,600,000	55,302,516
1924......	1,373,350,839	243,509,489	**1,129,841,350**	452,500,000	23,925,000	25,000,000	57,143,780
1925......	1,459,589,250	257,098,841	**1,202,490,409**	492,000,000	28,257,000	38,000,000	59,623,779
1926......	1,565,853,726	274,329,183	**1,291,524,543**	533,000,000	43,776,000	25,000,000	63,882,059
1927......	1,660,993,786	294,405,390	**1,366,588,396**	576,250,000	44,625,000	20,000,000	70,960,397
1928......	1,761,819,479	315,880,020	**1,445,939,459**	623,250,000	29,000,000	27,277,000	76,124,109
1929......	1,858,547,949	342,311,234	**1,516,236,715**	671,750,000	22,000,000	16,057,000	81,156,830
1930......	1,968,893,361	362,686,484	**1,606,206,877**	721,750,000	30,000,000	46,740,000	91,037,349
1931......	2,127,845,572	425,046,431	**1,702,799,141**	774,250,000	30,000,000	61,050,000	92,435,638
1932......	2,246,100,994	438,714,024	**1,807,386,970**	....	36,500,000	53,050,000	94,048,051
1933......	2,294,688,191	454,136,930	**1,840,551,261**	....	59,018,000	162,400,000	93,799,132
1934......	2,368,437,704	470,956,226	**1,897,481,478**	....	47,260,315	183,814,302	106,839,363
1935......	2,373,307,317	487,803,561	**1,885,503,756**	....	78,175,315	139,933,972	100,907,292
1936......	2,312,625,070	448,381,976	**1,864,243,094**	....	58,369,842	104,137,441	94,624,430
1937......	2,354,197,896	467,169,321	**1,887,028,575**	....	49,372,119	45,698,795	90,133,885
1938......	2,380,422,024	472,325,737	**1,902,096,287**	....	60,607,373	43,603,287	89,837,865
1939......	2,497,434,777	492,264,182	**2,005,170,595**	....	55,056,991	49,091,663	45,199,314
1940......	2,650,402,608	516,254,141	**2,134,148,467**	....	8,150,000	61,621,000	93,810,297

Figures on Interest on City debt (1939) in last column are for Jan. 1—June 30.

Figures for 1933 in column headed Tax Notes include $23,918,000 certificates of indebtedness payable from tax levies of 1933, 1934 and 1935. The figures for other years in that column include certificates of indebtedness, for relief, and various other purposes.

CITY DEBT LIMIT SUMMARY, JAN. 1

Yr.	Constitutional Debt Incurring Power	DebtLimit After Deduct.all Outstand. Debt, Bonds,etc.	Reserves for Projects Authorized	Unencumbered Debt Margin
	Dollars	Dollars	Dollars	Dollars
'20.	842,832,275	70,478,319	49,038,949	**21,439,370**
'21.	862,612,170	63,513,845	28,280,677	**35,233,168**
'22.	997,298,510	175,266,897	41,624,292	**133,642,604**
'23.	1,024,999,183	173,180,950	44,666,079	**128,514,871**
'24.	1,059,606,557	148,323,274	81,207,267	**67,116,006**
'25.	1.114.881,149	123.423.546	76.412,965	**47,010,581**
'26.	1,190,134,855	101,747,552	59,572,882	**42,174,670**
'27.	1.299.758.083	127,143,667	25.622.307	**101,521,365**
'30.	1,713,381,731	464,498,550	84,812,734	**379,685,816**
'31.	1,820,354,827	552,218,648	244,689,583	**307,529,065**
'32.	1,880,616,692	541,257,155	180,648,805	**360,608,350**
'33.	1,961,693,493	621,617,800	20,777,089	**600,840,711**
'34.	1,846,301,085	495,189,783	32,619,348	**462,570,435**
'35.	1,714,923,655	406,819,739	39,936,444	**366,883,295**
'36.	1,664,977,119	351,484,376	94,936,648	**256,547,728**
'37.	1,667,876,355	233,347,903	97,461,370	**235,886,533**
'38.	1,659,969,519	279,213,468	149,148,219	**130,065,249**
'39.	1,674,555,286	225,025,419	175,009,867	**50,015 552**
'40.	1,666,125,208	177,628,433	147,720,866	**29,907,567**

The constitutional limit to debt incurring power of the City on July 1, 1940, was $1,661,953,017.96. This sum was based on 10 per cent of the averaged assessed valuation over the past several years—$16,619,530,179.60.

NEW YORK CITY BUDGETS

Year	For City	For County	For Tax. Res.	Grand Total
	Dollars	Dollars	$1,000	Dollars
1926..	404,601,418	11,953,774	2,880	**437,000,000**
1927..	445,871,091	13,149,511	3,250	**474,893,300**
1928..	480,837,295	13,574,689	3,990	**512,528,831**
1929..	512,287,137	14,245,199	4,500	**538,928,697**
1930..	550,502,401	14,792,427	4,475	**569,769,828**
1931..	600.538.081	15.552,102	4,750	**620,840,183**
1932..	609,928,731	15,687,567	5.750	**631,366,298**
1933..	499,009,644	14,418,328	5,000	**518,427,972**
1934..	513,411,615	13,686,167	23,950	**551,047,782**
1935..	523,632,040	13,800,560	16,000	**553,432,600**
1936..	520,895,036	14,146,807	*10,500	**545,541,843**
1937..	536,152,608	14,846,309	*8,500	**559,498,917**
1938..	565,753,347	15,474,229	8,753	**589,980,576**
1939..	281,443,884	7,744,356	......	**289,188,240**
1939-'40..	567,050,989	14,687,671	5,771,179	**587,509,839**

1939 figures are for Jan. 1—June 30.

State tax, included in above totals—(1925) $16,236,971; (1926) $17,564,808; (1927) $12,622,698; (1928) $14,126,847; (1929) $7,896,361; (1930-1939) nothing.

*Additional amount to be provided for Tax Reserve, $6,500,000, from General Revenues in 1936, and $3,500,000 in 1937.

N. Y. CITY REVENUES AND EXPENDITURES (FOR YEAR ENDED JUNE 30, 1940)

Receipts, $1,473,120,656.10; payments, $1,382,151,015.55; closing treasury balance, $90,969,640.55.

The **receipts** were, in general terms—opening treasury balance ($140,689,198.91); real estate taxes and assessments ($494,452,897.49); general fund and misc. ($146,478,204.45); state aid for schools ($51,270,105.10).

Emergency relief taxes ($78,802,944.01); relief moneys from the State ($57,343,448.12); Public Works Administration ($5,742,858.02).

Borrowings for current expenses ($316,100,000.00); long-term capital borrowings ($182,241,000.00).

The **payments** were, in general terms—administration of the City government ($625,745,216.50); all relief ($106,053,529.36); redemption of temporary debt ($320,400,000.00); redemption of long-term debt ($52,366,997.00); capital outlays ($222,329,272.69); purchase of securities in unification ($55,256,000.00).

"It is sound public policy," says Comptroller McGoldrick, "for us now to face the fact that conditions arising from the war may compel the City to halt the advancement of new projects for the duration of the conflict. The time has not yet arrived for a final decision to be wisely made, but so rapid is the succession of events that the time for a decision could come upon us in a moment, and for that moment I believe we should be prepared."

IX

SPECIAL FACTORS ACCELERATING DECENTRALIZATION

MULTIPLICITY OF GOVERNMENTAL UNITS IN NEW YORK METROPOLITAN AREA

The multiplicity of governmental units, the numerous boroughs, cities, town and villages in three different states in the New York area accelerates decentralization. The New York citizen can select areas where real estate tax rates are lowest, and thereby avoid part of the costs of the highly integrated and expensive functions of New York City.

If the entire region could be put under one central governmental costs could be more equitably distributed between the citizens of the entire area.

Because of the fact that two states, New York and New Jersey, divide a large portion of the metropolitan area, and Connecticut shares in it to a lesser degree, the difficulties of developing a central municipal authority are very great. In the case of the Port of New York Authority, unity of action has been brought about between New York and New Jersey with reference to the port. Joint action on all local matters by the three states would be extraordinarily difficult to achieve, however.

A consolidation of municipal functions in New York State only, including New York City, Westchester County, and Nassau County, would be beneficial. Local township and village officers and perhaps a majority of the citizens of the suburbs would resist incorporation into New York City. In this connection however, the statutes of Virginia may set a pattern for other states. In Virginia, a city may annex an adjoining smaller city or suburban area if it shows to the court the beneficial and equitable results of such a step, even if a majority of the citizens in the smaller localities object.

A further step of utmost importance is suggested by the Virginia statutes. County and city government should not overlap but should be mutually exclusive. There is no need for a separate county government in the city with its added costs.

THE FEDERAL HOUSING ADMINISTRATION AND DECENTRALIZATION

From 1934 to December 1939 the F.H.A. insured only six small home mortgages for a total of $31,880 in Manhattan and no acceptances whatever have been insured on Section 207 (multiple dwelling) projects. Modernization loans to the amount of $27,383,901.77 were made, the bulk of them in 1935 and 1936.

Nearly all of the F.H.A. insured loans on single family homes in New York City have been in new areas in Queens and the unsettled fringes of Brooklyn. The multiple dwelling projects insured by F.H.A. have been chiefly in Westchester County, (where two thirds of the apartment projects in 1938 and 1939 have been F.H.A.) and areas in Queens near the new Independent Subway (where one third of the new apartments of 1938 and 1939 are insured by F.H.A.). In the entire metropolitan area of New York City, 45 percent of all single family homes insured have been outside of all the big cities of 100,000 population or more.

Hence the Federal Housing Administration has accelerated the decentralization trend by making it easy to buy new homes on the periphery of the City and by doing nothing to rebuild the center.

This policy of the F.H.A. is the result of the conditions under which it operates. The speculative builder can buy large tracts of relatively cheap land in unsettled areas of Queens, secure F.H.A. approval of his subdivision, and then mark up the prices of his lots so that he can obtain practically his entire cash outlay from the 90 percent loan.

The contractors' labor costs are cheaper in Queens, where full union rates are not paid on single family homes. Mass production of houses make possible further economies. Subways making this land accessible to the City have been provided by the taxpayers including those in Manhattan who are made to pay a large part of the cost of the very subways that drain value from their property.

The speculative builder cannot afford to acquire partly settled blocks in areas with existing schools, street improvements, etc. This would require too great a cash outlay. Moreover these areas are frequently marred by old improvements so that buyers of new homes would pass them by. However when new F.H.A. homes are built near old home areas as in Brooklyn, the buyer prefers the new home because it is new and has the latest bathroom and kitchen fixtures and because of the twenty-five year amortization plan which makes monthly payments on a new house frequently cheaper than on old houses.

Hence builders and buyers alike find the new home areas on the fringe of New York the most profitable scene of operation.

However this has adversely affected the market for old houses. The H.O.C.C. had sold only 10 percent of its repossessed houses in New York up to 1939, and there is a tremendous overhang of properties held by institutions.

Furthermore, the costs of operating the municipal plant are greatly increased by decentralization. It is estimated that it costs $12,750,000 to provide schools, pavements, sewers, sidewalks, parks for 36,000 people in New York City. When existing schools and paved streets in central areas are abandoned and the city is called on to build new schools, new paved streets and sewers in areas not hitherto settled, the added burden thus put on the New York City budget is the load of straws that will break the camel's back.

It is estimated by the New York City Plan Commission that if the diffuse settlements in New York were put together in one compact urban settled area, the annual operating costs of the City would be reduced $43,000,000.

This figure does not take into account the cost of bridges, tunnels, express highways, etc. which have accelerated decentration nor the cost of diffuse settlement beyond the City limits of New York.

Thus while the F.H.A. has made it easy for home buyers to acquire new homes in the suburbs on terms less than rent it has created a new burden of debt in providing for additional schools and public utilities that will add further to the already top-heavy costs of the New York Municipal Plant.

RELATION OF TAXES TO RENTS IN MANHATTAN LOFT BUILDINGS

	Assessment	Gross Rents	Net Income	Taxes
36th St	650,000	102,000	35,365	19,910
18th St	71,000	5,400	1,885	2,095
W 31 St	250,000	35,057	6,998	7,250
W 35 St	685,000	91,250	30,978	18,355
W 36 St	245,000	27,727	3,725	7,301
W 37 St	1,600,000	196,030	52,586	46,400
W 38 St	310,000	36,400	12,452	8,370
E 49 St	325,000	34,500	8,060	10,030
7th Ave	3,050,000	269,147	64,119	89,975
Broadway	225,000	26,370	5,308	5,934
Broadway	36,000	2,580	625	1,040
Franklin	46,000	6,200	-130	1,324
Green St	66,000	6,900	-1,322	1,927
Lispenard St	50,000	3,600	0	1,480
Walker St	25,000	1,500	193	732
Water St	39,000	2,700	980	1,150
Wooster St	76,000	13,400	1,372	2,200

OFFICE BUILDINGS

	Assessment	Gross Rents	Net Income bef.dep.	Taxes
W 42nd	$2,620,000	$316,003	$54,872	$77,290
W 44th	1,400,000	214,222	81,124	41,020
Astor Pl	490,000	58,280	1,296	13,230
Downtown Broadway (Office)	4,800,000	540,951	178,539	146,040
" Broadway (Office)	290,000	87,696	12,768	19,618
Maiden Lane	1,125,000	155,060	27,187	33,187
Vesey St	540,000	76,494	18,501	15,822
Wall St	6,400,000	602,725	163,414	188,800

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